

THE UNIVERSITY OF VIRGINIA

2008 SWAM Implementation Plan



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

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Introduction

The University of Virginia is once again 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 University (both Academic Division and Medical Center) operates in accordance with the Higher Education Restructuring Act allowing for flexibility and discretion in the choice of vendors used in its supply chain. The Medical Center also enjoys certain additional benefits 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. Implementation of both plans is centered with the University's Supplier Diversity Initiative.

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The Academic Division – Agency 207

1. Designation of Diversity Champion

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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 in 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 \$5,000. There are more than

2,000 purchasers at the University. In December, 2006, the UVA MarketPlace, a gateway for all purchases of goods and services, was launched giving these purchasers access to more than 150 catalogs from vendors with negotiated contracts. The limit for purchases without buyer intervention from contract vendors with catalogs in the UVA MarketPlace is \$10,000; buyers can purchase up to \$50,000 from contract vendors with catalogs without seeking further competition.

Non-Catalog and Competitive Purchases

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:

- Dollar Amounts to \$4,999.99 – The following requirements for competition apply to all purchases in this price range
 - √ At least one quote for the purchase must be solicited from a DMBE-Certified Minority- or Woman-owned firm.
 - √ At least one quote for the purchase must be solicited from a DMBE-Certified Minority- or Woman-owned firm.
- 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 (M/W) 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. Buyers often source SWAM vendors as they seek a vendor for an emergency procurement.
 - √ 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.

Catalog Purchases in the UVA MarketPlace

With regard to SWAMming, catalog purchases offer an opportunity to have SWAMming be a part of the day of a buyer rather than something else that the buyer must do in a day. This is because the portfolio of catalog vendors in the UVA Marketplace includes a more than representative number of SWAM vendors. Of the 153 catalogs, 33 belong to SWAM vendors (11 MBE, 3 WBE, and 19 SBE).

Purchases from non-catalog SWAM vendors in the Marketplace can also be monitored. This will allow procurement officials to analyze the spend data to determine if the volume and frequency of purchases are such that the vendor should be considered for a catalog.

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 (CVMBBA), and the Virginia Minority Supplier Development Council (VMSDC) to encourage opportunities for SWAM firms. More recently, the University has established relationships with the Virginia Hispanic Chamber of Commerce, the Virginia Asian Chamber of Commerce and the National Association of Minority Contractors (NAMAC).
- 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. In fiscal year 2007, the University hired a SWAM Contract Administrator who, among other things, gives hands-on assistance to construction-related firms that desire to form partnerships.
- 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 VMSDC 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, they will be actively coached, encouraged, and assisted with compliance.

- √ *Quick Bids* – Procurements estimated to fall within the range of \$5,001 to \$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, 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 an 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 executive management 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 third 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 2006 the University unveiled its electronic marketplace. More than 2,000 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 was 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 assisted the National Association of Educational Procurement (NAEP) with implementing a benchmarking survey of best practices with more than forty institutions located across the US. In September 2007, the survey will be issued to the six VASCUPP schools that were not included in the original survey. In addition to sharing and identifying peers and best practices, the goal is to compare the VASCUPP schools as a group to the other organizations. The analysis should be completed by October 2007.

- Procurement Delivery

Whenever possible, the University uses a delivery for procurement opportunities that will allow for competitive negotiation. This allows SWAM vendors a stronger probability of "getting to the table" and thus the opportunity to present their solutions for adding value to the procurement opportunity at hand. More importantly, the negotiation process allows more flexibility than the alternative low bid delivery.

- Major Procurements

- √ A member of the Supplier Diversity Initiative Staff attends all pre-proposal meetings to deliver the University's message regarding the use of SWAM vendors.
- √ In the evaluation of selection criteria for major procurements, a minimum of 10% weight is given to SWAM plans.
- √ The Director of Supplier Diversity serves as an advisor to the selection committee for all construction projects valued at more than \$10 million.

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.
- Whenever possible The University tracks 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 2008 continue to reflect growth that is consistent with developing strategic and sustainable relationships with SWAM vendors.

- Based on the data collected and experiences during the past thirty 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; \$200,000 to \$2,000,000 as prime contractors; \$3,000,000 to \$5,000,000 as construction management firms ; and 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. 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 University has adopted the practice of establishing a goal for total SWAM spend only. Within the goal, targets are set for MBE, WBE, and SBE spending. Without the ability to use remedies that are race or gender oriented, this practice is consistent with remedies that are in place in the Commonwealth regarding all SWAM firms. In this context (lack of remedies), the practice represents an appropriate strategy for the University to achieve its financial goals as established under the *Restructured Higher Education Financial and Administrative Operations Act*. Additionally, total SWAM spend is a metric proposed by UVa, VT, and CWM as part of the performance measures for the management agreement.

The table below shows the planned spend for 2008 as well as the comparison of plan-to-actual for previous years:

√ For firms certified by DMBE:

	FY 2005 Actual	FY 2006 Goal	FY 2006 Actual	FY 2007 Goal	FY 2007 Actual	FY 2008 Goal
MBE Target	1.2%	2.0%	2.1%	4.0%	2.4%	4.0%
WBE Target	3.7%	4.0%	3.5%	5.0%	4.5%	5.0%
SBE Target	29.0%	30.0%	18.3%	31.0%	28.9%	31.0%
SWAM Goal	33.9%	36.0%	23.9%	40.0%	35.8%	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	FY 2007 Actual	FY 2008 Goal
MBE Target	1.0%	2.0%	2.2%	4.0%	2.5%	4.0%
WBE Target	2.9%	4.0%	4.4%	5.0%	4.9%	5.0%
SBE Target	17.2%	30.0%	35.3%	31.0%	35.9%	31.0%
SWAM Goal	21.2%	36.0%	41.8%	40.0%	43.3%	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 continues to be a priority of the SDI.

The Table below shows the actual change in dollars spent year-over-year with DMBE-certified SWAM firms:

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	Growth FY05 to FY07
MBE Spend	\$2,799,733	\$5,444,918	\$7,110,395	154%
WBE Spend	\$8,152,101	\$9,274,241	\$13,440,571	65%
SBE Spend	\$52,929,020	\$47,842,373	\$87,019,313	64%
SWAM Spend	\$63,880,854	\$62,561,532	\$107,570,278	68%

The Medical Center – Agency 209

10. Designation of Medical Center Diversity Champion

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11. 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 Director, Supplier Diversity for the University.**”*

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

12. Healthcare Group Purchasing

By the nature of its core business, patient care, UVA Medical Center spends a significant amount with healthcare suppliers, many of whom are contracted through group purchasing. Novation is the Medical Center’s primary healthcare group purchasing organization. Approximately 40% of the Medical Center’s discretionary spend is transacted through Novation.

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>.

As a member of Novation, the Medical Center receives the most favorable contract pricing available by committing to high commitment levels within agreements (e.g., 80 or 90% of a member’s spend in a product category).

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.

Novation 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 \$31.6 billion in annual purchases. Novation is based in Irving, Texas.

13. FY2007: Medical Center SWAM Achievements

The Medical Center’s aspirational goal for FY2007 was “to 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.”

The Medical Center experienced significant increases, exceeding 63% growth in MBE expenditures, 44% growth with WBEs, and 36% growth with SBEs.

	MBE	WBE	SBE
FY 2007 SWAM Goals	\$2,821,312 (5% growth over prior year)	\$6,966,789 (5% growth over prior year)	\$4,983,747 (5% growth over prior year)
FY 2007 SWAM Actual	\$4,395,056 (63.57% growth over prior year)	\$9,560,264 (44.09% growth over prior year)	\$6,473,925 (36.4% growth over prior year)

14. Strategic Procurements for Sustainable Relationships

In FY 2007, the Medical Center conducted a number of formal procurements, Invitations for Bid (IFBs) & Requests for Proposals (RFPs), in which SWAM firms were actively solicited, engaged, and awarded.

- The following contracts are examples of FY 2007 awards that will yield sustained SWAM expenditures through FY 2008 and beyond:
 - √ Data Warehouse Implementation Services: MBE
 - √ Desktop Computing Equipment Management Services: MBE
 - √ Travelers Contracts for Interim Clinical Staffing (1) MBE, (5) WBE, (5) SBE
 - √ Home Infusion Therapy Information System & Support Services: SBE

15. The Medical Center SWAM Team

The Medical Center's SWAM Team of (9) members includes: Administrator of Supply Chain Management, Director of Medical Center Procurement, Director of Supply Chain Logistics, Procurement Supervisor, Operations Control Coordinator, and (4) Senior Contract Negotiators.

The Medical Center's SWAM Team hosts monthly meetings with the University's Director of Supplier Diversity (DSD) to review procurement & contracting opportunities, and discuss potential SWAM contacts and participation.

16. Ongoing 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 tracks activity related to Non-Contract Spot-Buy Requests,
- Non-Contract Vendor-Add Requests, and Formal Procurement Requests and reports a summary of their activities to the Operations Control Coordinator on a monthly basis.
- The Director of Medical Center Procurement reviews 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.
- Monthly meetings between the Medical Center's SWAM Team and the University's Director, Supplier Diversity will continue to enhance opportunities for networking, collaboration, and information sharing.

17. 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

18. Medical Center Aspirational Goals

The Medical Center's aspirational goals comprise the following:

- Increase the Medical Center's SWAM business by 5% aggregate across the SWAM categories, as benchmarked against the Medical Center's FY 2007 SWAM spend
- 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 use the SWAM Supplier Sources 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 reviews 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.
- Ongoing Novation Contract Reviews: The Director of Supply Chain Logistics ensures that all SWAM firms that have been awarded Novation agreements are included in the Medical Center's Novation contract review process.
- Ongoing Outreach: The SWAM Team will continue to co-sponsor and attend SWAM networking events with the University's DSD. Examples include NMSDC's Profits in Partnership Luncheon, and the Healthcare Supplier Diversity Symposium.

Appendix

Appendix 1 – Significant Awards

Significant Awards to Women-Owned Firms

- For significant awards issued to **women-owned firms** July1, 2006 to June 30, 2007.
 - √ \$260,000 to Staunton Steam Laundry for a two-year contract for uniform rental The contract may be renewed for an additional two two-year terms
 - √ \$350,000 to Tables Chairs & Staging for Graduation 2007-2011 chairs and staging
 - √ \$80,000 to Greenwood Associates to conduct the search for a new Dean of the College of Arts and Sciences
 - √ \$78,480 to Mary T Creed for Electronic Database work
 - √ \$60,395 to Architectural Products of Virginia (WBE) for Cabinets
 - √ \$63,355 to Spring Creek Interiors to manufacture and install architectural mill work for the locker rooms in U Hall
 - √ \$50,664 to Globe Travel, LLC (WBE) for Group air transportation

Significant Awards to Minority-Owned Firms

- For significant purchases issued to **minority-owned firms** July1, 2006 to June 30, 2007.
 - √ \$100,000 to A Goff Transportation for night bus services
 - √ \$145,968 to Daly Computers for computer equipment and licenses
 - √ \$528,000 to Davis Brothers Construction for window replacement in Runk Hall
 - √ \$48,234 to Canterbury Enterprises for repairs in the Old Medical School Steele Wing
 - √ \$73,760 to Dataline Inc for two servers
 - √ \$98,152 to Digital Intelligence Systems (DISYS Corp) for Voice and Data Equipment
 - √ \$114,795 to A Goff Transportation for transportation services
 - √ \$51,250 to MB Mechanical for an exhaust fan replacement project in housing
 - √ \$76,000 to MB Mechanical for installation of a rooftop exhaust
 - √ \$63,061 to Payne Construction for a special project at Memorial Gym
 - √ \$79,638 to DataLine, Inc for IT equipment
 - √ \$88,055 to Loving, Loving, and Loving for masonry services
 - √ \$114,532 to Payne Construction Company for renovation projects
 - √ \$99,500 to Payne Construction Company for a steam tunnel renovation project

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	\$887,362
CLARAVIEW INC	\$411,646
DALY COMPUTERS	\$329,985
SECURITY BUSINESS ARCHIVES	\$161,665
HMS TECHNOLOGIES	\$97,303
FERGUSON'S CONCRETE SERVICES	\$34,250
MENON GROUP, INC.	\$20,700
BATTERIES INC	\$16,828
GRAND AIRE INC	\$9,143
YOUNG MOVING & STORAGE/ALLIED VAN LINES	\$6,462

Top Women-Owned Vendors	Amount
CHAMBERLIN EDMONDS & ASSOC, INC.	\$1,640,134
ATLANTIC CORPORATE INTERIORS (ACI)	\$1,033,265
UNITED ANESTHESIA	\$341,889
HYPERGEN, INC	\$339,262
MARY L C DANIEL Esq PC	\$239,960
TRAVEL NURSE ACROSS AMERICA	\$148,563
HEALTH INFORMATION ASSOCIATES	\$147,797
BRIGHT IDEAS	\$119,581
HICKEY'S WOODWORK SHOP LLC	\$113,804
STANLEY BEAMAN & SEARS INC	\$111,100

Top Small Business Vendors	Amount
SMARTER INTERIORS	\$797,496
WORLDWIDE TRAVEL STAFFING	\$627,216
SPINALGRAFT TECH/UNITED TISSUE SERVICES	\$611,136
DAYCON	\$394,181
CYRA COM INTERNATIONAL	\$383,056
HEALTH FORCE STAFFING LLC	\$314,284
FIRST SYSTEMS AND RESOURCES	\$254,239
PYRAMID INFORMATON TECHNOLOGIES INC	\$246,174
LEE TECHNOLOGIES INC	\$235,765
TOMO THERAPY, INC	\$165,000

Appendix 2 – Agency Activities

Leadership Activities

- The University hosted a two-day strategy session for the Board of Directors of the Virginia Minority Supplier Development Council (VMSDC). 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 the Executive Committee; 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 Supplier Diversity attended a SWAM Mini Workshop in Richmond. The Secretary of Education hosted the workshop.
- 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.
- The Director of Supplier Diversity attended the VMSDC Board of Directors Meeting.
- The Director of Supplier Diversity made a progress report to the Board of Visitors.
- The Director of Procurement and the Director of Supplier Diversity attended the VASCUPP Directors meeting. Meeting highlights included an update on SWAMfest II and a follow-up session with Secretary Baskerville and Deputy Secretary Farrar on various SWAM and eVA issues and questions.
- The UVA Market Place opened. The Market Place is the University's 1,600 decentralized purchasers' online access to contract vendors' goods and services. Included among the 623 initial vendors in the Market Place are over 12 MWBE firms.
- The Director of Supplier Diversity made a presentation of Supplier Diversity program development to the Atlantic Coast Conference (ACC) Procurement Directors.
- The Director of Procurement Services and the Director of Supplier Diversity made a presentation on supplier diversity at the Virginia Regional Meeting of the National Association of Educational Procurement.
- The Director of Supplier Diversity made a presentation on Supplier Diversity in Higher Education at the Fall 2006 FOCUS (Fiscal Officers of College and Universities State Supported) Session. The session was attended by approximately 150 members.
- The Vice President for Management and Budget received on behalf of the University, VMSDC's Award for the most improved supplier diversity effort in the public sector.
- Bill Cooper, Director of Supplier Diversity received VMSDC's Advocate of the Year Award.

APPENDIX 2 – AGENCY ACTIVITIES

- The Supplier Diversity Staff hosted the Board of Directors of VMSSDC for their Winter Planning Meeting.
- The SWAM Coordinator met with VMSSDC staff to bring training for VMSSDC's use of a new online registration system.
- The Director of Procurement Services and the Director of Procurement and Payment at VCU met to discuss SWAM strategy for VASCUPP.
- Facilities Planning and Construction's Office of Contract Administration updated SWAM language that will appear in all RFPs and IFBs. Overall, the text provides a Contract Administration point of contact and also requests that a firm select a contact person within their firm responsible for reporting SWAM.
- The University developed new language to be included in contracts that describes the University's position on inclusion of SWAM firms in a procurement opportunity.
- The Director of Supplier Diversity attended the NAEP Conference on Supplier Diversity in Indianapolis.
- The Director of Supplier Diversity attended the National Association of Minority Contractors (NAMC) Conference in Atlanta.

Outreach Activities

- The University hosted several MBE vendors at the home football games.
- The University hosted representatives from three MBE Asset Management Firms at the UVa/Maryland football game. The firms were recently listed in Black Enterprise Magazine's list of top fifteen Black-owned Asset Management firms.
- Nine members of various departments at the University participated in VASCUPP's SWAMfest II at George Mason University.
- The University hosted the Governor's SWaM Financial Services Forum.
- The SWAM Coordinator and the Director of Supplier Diversity interviewed 17 firms interested in pursuing opportunities with the University at VMSSDC's Business Connections' Matchmaker. The University hosted in the President's Suite over thirty members of the MBE community for a men's basketball game.
- The Director met with two MBE construction firms regarding current activity and referred two MBE vendors to prime contractors to assist with existing projects.
- The third issue of the Supplier Diversity Initiative's newsletter was sent to 5,000 DMBE-certified SWAM vendors.
- The SDI Team attended the Metropolitan Business League's Empowerment Conference where they exhibited in a trade fair and held special appointments with four MBE firms.
- A list of SWAM Contract Vendors was distributed to key prime contractors for their consideration for subcontracting opportunities.
- Facilities Planning and Construction held its premier outreach event, the Inforum. The event was well attended by both majority and SWAM firms. There was a significant number of MBE firms represented. As evidenced by the number of follow up meetings scheduled, the event enabled a number of meaningful conversations.

APPENDIX 2 – AGENCY ACTIVITIES

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- The SWAM Coordinator met with VMSSDC officials to finalize arrangements for the Virginia Business Opportunity Fair. The University is the event's registration sponsor and the SWAM Coordinator designed its online registration system.
 - The University and Barton Malow, the firm hired to oversee the construction of the \$105 million South Lawn Project, held an outreach event to share the plans for the project with the SWAM Contractors in the State. More than eighty people attended representing SWAM firms, majority firms and the University. Over fifty members of the audience represented SWAM firms from throughout the Commonwealth and after a presentation by Barton Malow and its MBE-partner for the project, Prestige Construction, members of the audience spent two hours networking and reviewing project plans.
 - The Director of Procurement Services, Director of Supplier Diversity, the Facilities Management Contract Administrator responsible for SWAM, and the SWAM Coordinator attended the three-day Virginia Business Opportunity Fair given by the Virginia Minority Supplier Development Council.
 - The Supplier Diversity Coordinator coordinated the UVa Marketplace Supplier Enablement Event.

Business Development Activities

- 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 head of the Darden School's Executive Education Programs to discuss the development of relevant to MBE development.
- 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.
- The Supplier Diversity Staff began the process of notifying "self-certified" firms of the University's request that they become certified.
- The Director met with several firms interested in construction opportunities and another interested in public relations and graphic arts.
- The University's new SWAM Contract Administrator reported for work. With this position, the University's goal is to increase its efforts to involve SWAM vendors in its construction projects.
- The Facilities Management SWAM Team organized a meeting with MBE firm H.J. Russell and the Chief Facilities Officer. The purpose of the meeting was to introduce company officials to the new Chief and to discuss the potential for opportunities for the firm with the University.
- The SWaM Contract Administrator solicited professional firms for SWAM quarterly report documentation and compiled quarterly report documentation from general contractors and professional firms.

Appendix 3 – The Top 10 SWAM Firms by Category

The following exhibits show the top 10 SWAM firms by category. The figures shown represent direct spending only. In many cases, especially with construction firms, the firm may have done as much or even more business with the University as a subcontractor. Where applicable, the firms' ranking for the two previous years is shown. This is evidence of the Supplier Diversity Initiative's achievement of its goal of creating "strategic and sustainable relationships..."

APPENDIX 3 – THE TOP 10 SWAM FIRMS BY CATEGORY



FY 2007 MBE Top Ten

COMPANY NAME	LOCATION	COMMODITY	SPEND
1. Daly Computers (5),(6)	Clarksburg, MD	IT Equipment/Supplies	\$593,122
2. DISYS Corporation (9),(17)	Chantilly, VA	IT Consulting	\$585,339
3. Turner's Cleaning Service (3),(2)	Charlottesville, VA	Custodial Services	\$437,284
4. Dataline Inc. (1),(1)	Norfolk, VA	IT Equipment/Supplies	\$422,894
5. Apex Controls (2),(3)	West Chester, PA	HVAC Supplies	\$363,799
6. Attronica Computers (66),(10)	Glen Allen, VA	IT Equipment/Supplies	\$250,250
7. United Unlimited Construction, Inc.	Richmond, VA	Construction	\$239,911
8. A Goff Limo.com (4),(8)	Charlottesville, VA	Transportation Services	\$200,859
9. Loving, Loving, and Loving Contractors (7), (7)	Shipman, VA	Construction	\$157,831
10. Canterbury Construction, Inc. (35)	Chester, VA	Construction	\$153,557

Previous rankings showed as following, if applicable: (FY06), (FY05)
 Rankings do not include subcontracting spend

APPENDIX 3 – THE TOP 10 SWAM FIRMS BY CATEGORY



FY 2007 WBE Top Ten

COMPANY NAME	LOCATION	COMMODITY	SPEND
1. Elm Street Resources Inc. (1),(1)	Paintsville, KY	Coal and Coke	\$1,933,877
2. James River Solutions Inc. (2)	Richmond, VA	Gasoline and Oil	\$1,113,428
3. Color-Ad Inc. (51)	Manassas, VA	Signs, Exhibits, and Displays	\$283,051
4. Miller's Office Products (10),(15)	Springfield, VA	Office Supplies	\$246,664
5. Bright Ideas, LLC (5),(6)	Charlottesville, VA	Promotional Items	\$231,596
6. Staunton Steam Laundry Inc. (4),(3)	Staunton, VA	Laundry and Dry Cleaning	\$220,449
7. Froehling & Robertson (3),(2)	Richmond, VA	Engineering Services	\$208,390
8. Approach Office Solutions (8),(7)	Charlottesville, VA	Printers	\$194,082
9. Greenwood & Associates, Inc. (15),(12)	Miramar Beach, FL	Executive Search Services	\$175,235
10. Lane Technology, Inc. (6),(8)	Goochland, VA	Epoxy Products and Services	\$138,259

Previous rankings showed as following, if applicable: (FY06), (FY05)
 Rankings do not include subcontracting spend

APPENDIX 3 – THE TOP 10 SWAM FIRMS BY CATEGORY



FY 2007 SBE Top Ten

COMPANY NAME	LOCATION	COMMODITY	SPEND
1. Crenshaw Construction Company (3), (4)	Culpeper, VA	Construction	\$10,037,856
2. Martin Horn, Inc. (4), (1)	Charlottesville, VA	Construction	\$5,754,494
3. Chasens Business Interiors (6), (12)	Richmond, VA	Office Furniture	\$2,213,039
4. Faulconer Construction Company, Inc (1), (3)	Charlottesville, VA	Construction	\$1,937,214
5. Supply Room Companies	Ashland, VA	Office Supplies	\$1,584,986
6. Woodland Construction, Inc. (8), (9)	Richmond, VA	Construction	\$1,490,603
7. Design Electric, Inc. (2), (2)	Charlottesville, VA	Electrical Construction	\$1,416,094
8. Creative Office Environments (17), (15)	Ashland, VA	Office Furniture	\$1,284,326
9. VMDO Architects (5), (6)	Charlottesville, VA	Architectural Services	\$1,124,726
10. WWL, Inc. (10), (5)	Charlottesville, VA	Construction	\$1,098,442

Previous rankings showed as following, if applicable: (FY06), (FY05)
 Rankings do not include subcontracting spend