

Tier 1 and Tier 2 Supplier Diversity Reporting

Nevada System of Higher Education (NSHE)

**Business Center North / College of Southern
Nevada / Nevada State University/ University of
Nevada, Las Vegas**

FY 2023

July 1, 2022 through June 30, 2023

Objectives / Agenda

- Introductions
- Requirements and Definitions
- NSHE Summary Data Tier 1 and 2
- Outreach Initiatives
- Final Tier 1 and 2 Report Review
- Future Legislation and Reporting
- Summary and Feedback



Introductions

Business Center North

(DRI, GBC, TMCC, UNR, WNC, NSHE System Offices, and SCS)

Melanie Lever, Director of Purchasing

- **Board of Directors: Nevada Association of Purchasing Professionals**

College of Southern Nevada

Paula Gonzales, C.P.M., Director of Purchasing

- **Member: Legislative Committee, Regional Business Development Advisory Council (RBDAC)**

Business Center South

(University of Nevada Las Vegas, Nevada State University)

Chelsea Meggerson, Interim Executive Director of Purchasing and Contracts

- **Chair: Legislative Committee, Regional Business Development Advisory Council (RBDAC)**

Reporting Requirement from NSHE Handbook

Title 4, Chapter 10, Section 2: Supplier Diversity Spending and Inclusion Policy

- The NSHE supports equal opportunity for minority-owned, women-owned, and other small disadvantaged business enterprises (MWDBE) to compete for contracts awarded by NSHE institutions. The NSHE encourages efforts to promote local businesses to compete for NSHE contracts. Additionally, the NSHE seeks to find opportunities for MWDBE and local business concerns to participate as subcontractors or Tier 2 suppliers in large contracts. A “Tier 2 supplier” or subcontractor is a supplier contracted for goods or services with the prime contractor, which may include, but is not limited to, MWDBE and local business enterprises.
- NSHE institutions shall report annually to the Inclusion, Diversity, Equity, and Access (“IDEA”) Committee on Tier 2 supplier expenditures with MWDBE and local business concerns for prime contracts awarded by NSHE institutions that exceed \$1,000,000. The Vice Chancellor for Budget and Finance shall develop procedures defining the information that must be included in each report.
(B/R 12/21)

Definitions

Tier 1 Supplier

A Prime Contractor.

Tier 2 Supplier

A supplier who is contracted for goods or services indirectly supporting the Prime Contractor. Commonly referred to as subcontractors.

Local Supplier or Subcontractor

A business that is:

- Owned 51% or more by Nevada residents
- Headquartered in Nevada
- Employing a majority of Nevada residents

Definitions

Disadvantaged Business Enterprise (DBE)

A business at least 51% unconditionally owned by socially and economically disadvantaged individuals (minorities or women) or a publicly owned business with at least 51% of its stock owned by such individuals, who also control its management and daily operations.

Minority Business Enterprise (MBE)

A business at least 51% unconditionally owned by one or more minority individuals or a publicly owned business with at least 51% of its stock owned by minority individuals, with management controlled by them.

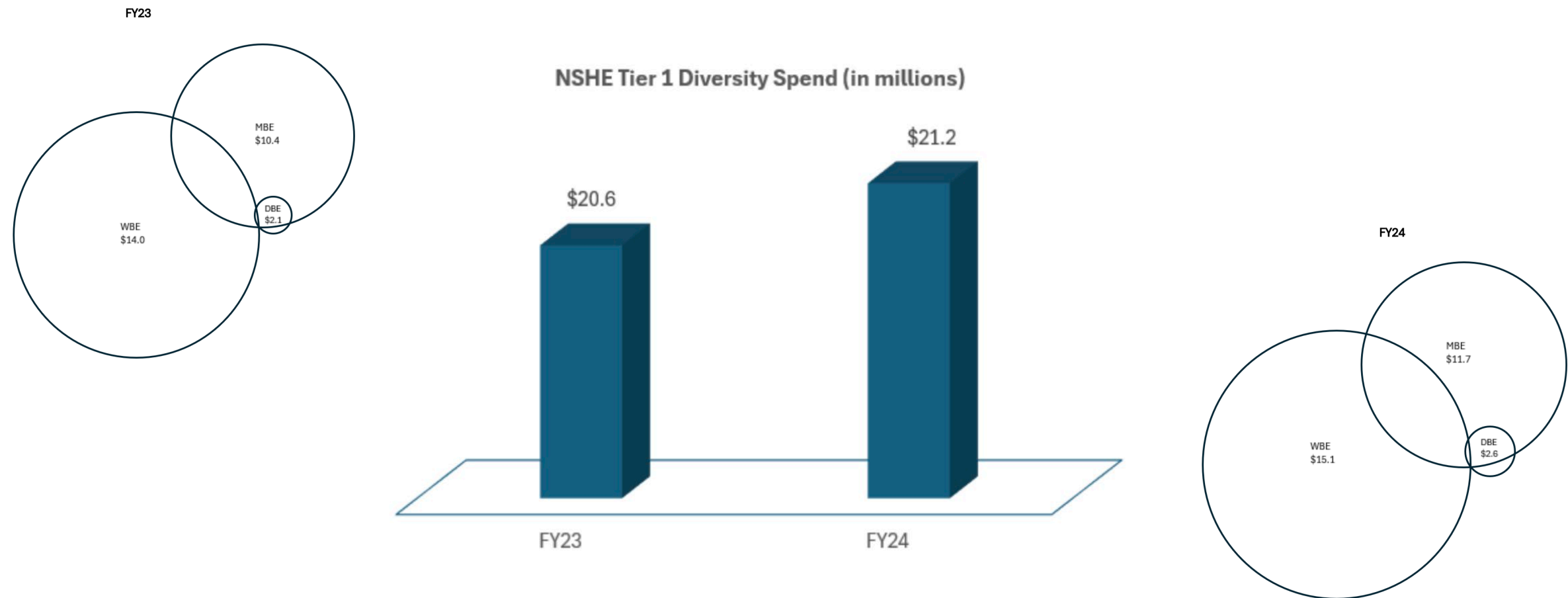
Women-Owned Business Enterprise (WBE)

A business at least 51% unconditionally owned by one or more women or a publicly owned business with at least 51% of its stock owned by women, with management controlled by them.

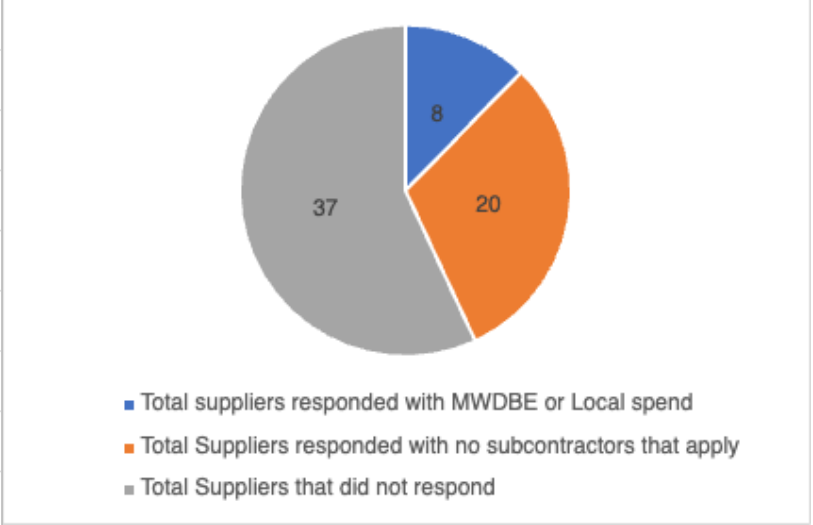
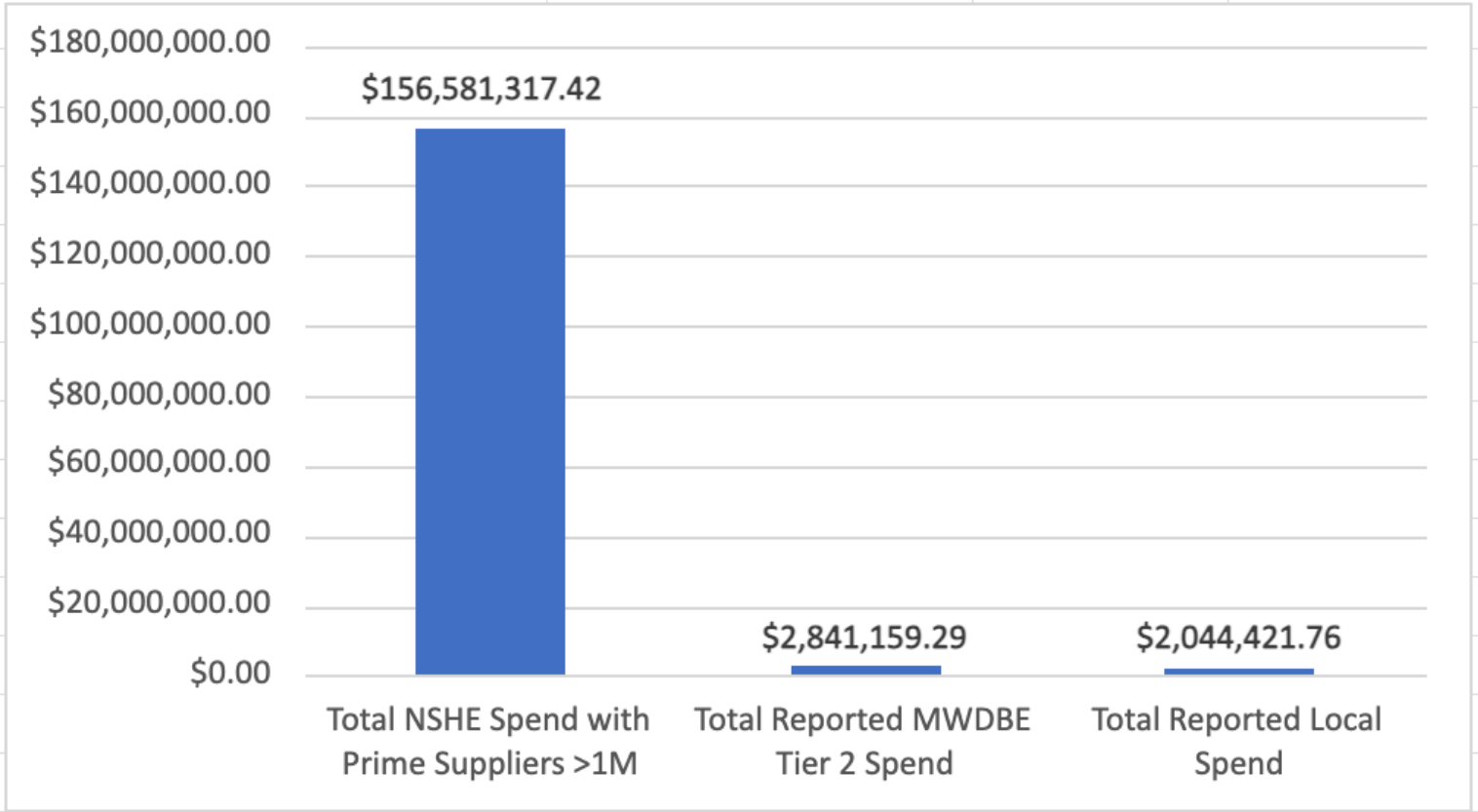
NSHE Record of Supplier Diversity Classifications

All NSHE Purchasing Offices utilize the Supplier Registration System (SREG), which allows suppliers to self-register and self-certify their diversity status. Suppliers have the option to select or deselect their classifications in certain areas, at any time.

NSHE Tier 1 Expenditures FY23 and FY 24



NSHE Tier 2 Expenditures FY23



Challenges & Goals

NRS and Board of Regents Policy require that we award to the lowest responsive and responsible bidder.

There is no preference or set-aside to allocate spend specifically to small, local and diverse suppliers.

Our primary goals are to:

- Remove obstacles for our small, local and diverse suppliers
- Provide opportunities, outreach, resources and training for how to do business with NSHE
- Be responsible stewards of public funds, procure goods and services at the lowest cost, consistent with the quality and service. Including small, local and diverse suppliers to the degree possible.

Tier 1 and 2 NSHE Collaboration Focus Group

In early 2023, all institutions created a focus group to standardize and streamline Tier 1 and 2 reporting.

The group focused on:

- **Workday Report Standardization**
- **Report Template Standardization**
- **Tier 2 Survey Standardization**

Annual NSHE Supplier Outreach Initiatives

- **Event:** Committed To Our Business Community hosted by RBDAC
- **Details:** Hosted every fall, this event is designed to provide resources for small and local businesses. In FY23, over 200 small and local business attended.
- **Event:** Supplier Opportunity Fair hosted by Nevada Association of Purchasing Professionals
- **Details:** Hosted every spring, this event's specific mission is to connect local businesses with local buyers

Annual NSHE Supplier Outreach Initiatives

- **Event:** Nevada Small Business Development Workshops
- **Details:** Hosted Quarterly, Purchasing and Planning and Construction are invited to present information on doing business with NSHE, including project types and current opportunities. These workshops are designed for the planning and construction industry.
- **Event:** Institution and Supplier 1:1
- **Details:** Hosted as needed, each purchasing office provides one-on-one support to suppliers. These sessions cover registration assistance as well as guidance on policies and processes.

Adding Supplier Outreach Initiatives in FY25

- **Event:** National Association of State Procurement Officials (NASPO) Exchange
- **Details:** Registration is open to suppliers and small businesses whom share common interests and goals for public procurement.



Enabled Policy to Prefer Small/Diverse Sellers

Amazon Business

- NSHE Amazon Business accounts updated guided buying policies to prefer small and diverse sellers. These sellers are shown first in the results pages of buyer's searches when applicable.

Purchasing Leadership Affiliations

Regional Business Development Advisory Council:

The Regional Business Development Advisory Council (RBDAC) is a legislative council that reports directly to the Nevada State Legislature. Their mission is to increase the participation of small, minority, woman, veteran, disadvantaged businesses within Clark County. Paula Gonzales, Director of Purchasing for CSN has been a member of this council for 15 years. Chelsea Meggerson, Interim Director of Purchasing for UNLV has been a member for 7 years, and also has served as Secretary, Vice Chair, and Chair.

National Association of Procurement Professionals:

The National Association of Procurement Professionals (NAPP) offers world class value by providing a diversity of educational, networking, and career development opportunities to advance the supply management professional.

NAPP is based in Las Vegas and serves over 100 Purchasing and Supply Management professionals. Melanie Lever, Director of Purchasing for BCN has served on the Board of Directors since July 2022.



Tier 1 and 2 FY23 Report and Tier 1 FY24 Report

The final report for FY23 has been prepared. This report includes Tier 1 and Tier 2 reporting for each individual institution, the total amount spent with suppliers, their diversity classifications, and any applicable subcontractor spending.

Only Tier 1 reporting for FY24 is included. Tier 2 data for FY24 is still being surveyed.



Future State: Proposed BDR

There is a current BDR being proposed to the Nevada Legislature in the 83rd session that will affect all NSHE institutions. The BDR proposes the following:

- RBDAC to be renamed as 'Nevada Business Advisory Council' and expand from just Clark County to include Carson City, Washoe County and Douglas County
- The Council would be responsible for impacting revisions to policy and procedure
- Set aspirational goals for diverse-owned businesses participation in public contracts, mirroring successful models such as the City of Indianapolis' 27% diversity business participation goal for contracts valued above \$50,000.
- Allocate sufficient resources to support the implementation and monitoring of diverse-owned businesses; participation goals, including staff training, outreach efforts, and the development of tracking systems.

Future State: Supplier Diversity, Outreach and Tier 1 and 2 Reporting Enhancement

- Enhance JP Morgan Chase PCard Reporting capabilities
- Create training materials system-wide, including videos and aids for registration and business opportunities
- Leverage existing collaboration between NSHE institutions to ensure consistent responses from suppliers across all entities
- Continue development on our system-wide procurement website

Summary and Feedback

We've covered a significant amount of information, including:

- **Tier 1 and 2 Reporting:** Summary reporting and key points.
- **Focus Group Initiatives:** Designed to standardize processes and improve reporting output.
- **Community Outreach:** Efforts to engage and support our local community.
- **Leadership Affiliations:** Participation from Purchasing Leadership.
- **Future Impacts:** Legislation and the anticipated effects and enhancements on Tier 1 and 2 reporting.

We invite you to review the data presented in this presentation and in the reports.
Please feel free to reach out to any of us with questions or feedback.

