



COMMONWEALTH of VIRGINIA  
Virginia Polytechnic Institute and State University

300 Turner Street NW, Suite 2100  
Blacksburg, VA 24061

## FY2018 Annual SWaM Procurement Plan

Date of Submission: Mon Oct 16 23:15:49 UTC 2017

1. Agency/Institution Official Name: Virginia Polytechnic Institute and State University

Address: 300 Turner Street NW, Suite 2100, Blacksburg, VA 24061

2. Agency Code: 208

Sub-Agency Code(s): 229

3. Agency Head: Dr. Timothy Sands

Phone Number: 540-231-6231

Email Address: President@vt.edu

4. Secretariat: Education

### II. SWAM Goals

5. List your FY2018 SWaM expenditure goals for Small, Women- and Minority-Owned businesses as a percentage of your projected discretionary expenditures. Goals should include your projected sub-contracting expenditures if applicable. FY2017 goals were pre-filled from your FY2017 SWaM plan. FY2017 SWaM expenditures were system-generated from the SWaM Dashboard.

	MBE	WBE	SBE	
FY2017 Agency SWaM Goals	3.0 %	4.0 %	21.00 %	
FY2017 Agency Actual Expenditures	1.72 %	1.75 %	22.52 %	
Total FY2018 Projected SWaM Spend Goals	2 %	2 %	20 %	
	MICRO	ESO	HBCU	SDV
Other FY2018 Projected Spend Goals	1 %	1 %	1 %	1 %

(Percentage based on Discretionary Budget. Each goal should be at least 1%)

6. What changes could be made to the Commonwealth SWaM Program that would assist you in meeting your goals?

- Provide an online tool for primes to report Tier II spend
- Allow reporting of indirect Tier II spend
- Set blended/weighted SWaM spend goals, i.e. separate goals for construction, commodities, and services
- Eliminate reciprocity restrictions and certify every SWaM eligible firm
- Identify SWaM firms that have exceeded certain levels of spend with state agencies (ID high performers)
- Mandate JV/teaming arrangements on specific procurement opportunities
- Create weighted SWaM scorecards for each state agency based on SWaM spend, outreach efforts, on-boarding of new suppliers, etc.
- Be more proactive with state legislature to solicit additional time to implement new laws and regulations
- Conduct disparity study on a regional basis with sufficient data and analysis to establish a supportable SWaM spend benchmark for southwest Virginia.

### **III. Designation of SWaM Equity Champion(s)**

#### **A. Purchases and Supply Division**

Name: Mark Cartwright

Title: Asst Director of Procurement for Supplier Diversity

Mailing Address: 300 Turner Street NW, Suite 2100

Telephone/Fax: 540-231-3333

E-mail Address: mcartwri@vt.edu

#### **B. Building and/or Construction Division (if applicable)**

Name: Robert Blackwell

Title: Senior Buyer

Mailing Address: University Design & Construction, MSC 0129, Blacksburg, VA 24061

Telephone/Fax: 540-231-4215

E-mail Address:

### **IV. Policies and Procedures**

1. Please specify the number of procurement personnel you have on staff:

Goods and Services: 10

Construction: 5

2. Do you have major construction projects or purchases planned for FY2018? Yes

If so, identify the project or purchase:

1: Name of the project/purchase: Gas Fired Boiler

Type: Low Bid

Anticipated Posting Date: Spring 2018

2: Name of the project/purchase: Squires Commonwealth Ballroom

Type: Low Bid

Anticipated Posting Date: Fall 2017

3: Name of the project/purchase:

Type:

Anticipated Posting Date:

4: Name of the project/purchase:

Type:

Anticipated Posting Date:

3. Do you have any professional services purchases planned for FY2018? Yes

If so, identify the project or purchase:

1: Name of the project/purchase: Dietrick First Floor Plaza Renovation

Type: CM@Risk

Anticipated Posting Date: Fall 2017

2: Name of the project/purchase: Undergraduate Science Labs

Type: CM@Risk

Anticipated Posting Date: Fall 2017

3: Name of the project/purchase: Hitt Hall and Intelligent Infrastructure

Type: Design-Build

Anticipated Posting Date: Fall 2017

4: Name of the project/purchase:

Type:

Anticipated Posting Date:

4. Does your Agency set aside the following solicitations for DSBSD certified businesses?

Solicitations under \$10,000: No

Solicitations between \$10,000 and \$50,000: No

Solicitations between \$50,000 and \$100,000: No

If you answered, "NO" to any category, please state why those solicitations are not set-aside: Our biggest challenge is in the area of women-owned and minority-owned businesses. As set-asides are based based on size, implementing such a program would be of no significant benefit.

5. Have you visited the "I'm a Buyer" page on sbsd.virginia.gov? Yes

If yes, what additional resources would be helpful on that page? A resource library that contains guidelines, best practices, whitepapers, etc on the development, maintenance and growth of a formal supplier diversity program.

6. Who monitors, reviews, audits and enforces your SWaM program goals and compliance? Mark Cartwright, our newly hired Assistant Director of Procurement for Supplier Diversity, will take the lead in monitoring, reviewing, auditing and enforcing the University's SWaM program goals and compliance. In addition, quarterly statements are sent to all Vice Presidents, Division Heads, and Dean's for each College showing the status of achievement for their particular area. Mark reports to Mary Helmick, Director of Procurement. Mary has taken an engaged, proactive, and strategic approach to the growth of the SWaM initiative. Mary reports to Mr. Dwight Shelton, VP for Finance and CFO. Periodic reporting is handled with Mr. Shelton via update meetings and statistical reporting through Procurement's Annual Report to the Administration.

7. Does the agency collect the subcontracting payment information manually or electronically from prime contractors?

Yes, Manually

If yes, how often is subcontracting data collected? With every payment request

Do you use DSBSD's format to record the payments? Yes

If electronically collected, what system is used? Excel Spreadsheets .

Who are your primary vendors that report subcontract spend? Construction Contractors

8. What is your agency's biggest challenge with collecting and reporting subcontract spend ? Gathering second tier spend from the primes on a regular and recurring basis is a continual challenge. When we are successful in capturing second tier spend the subcontractors are often not certified by SBSD.

## **V. Diversity Training Events**

**Does the Agency SWaM Champions or Procurement staff:**

1. Hold open house events for small businesses? Yes

If yes, how many in FY2017? 1

2. Meet with small businesses one-on-one at your facility to discuss policies and procedures and potential business opportunities? Yes

If yes, how many in FY2017? 15+

3. Conduct training events on SWaM and diversity training? Yes

If yes, how many in FY2017? 1

4. Attend small business outreach events? Yes

If yes, please check those attended in FY2017?

DSBSD hosted event (Summit) 1

DGS Forum 0

Minority Supplier Diversity Council Conferences 0

DBA hosted events 0

Other, please name VASCUPP, SWaMFest, Campus SWaM Vendor Fair, UVA SWaM Outreach Event

## **VI. Assessment**

1. In FY2017, what has been the most time consuming part of administration of the Small Business initiative from your perspective? Other

Comment on your selection above: The most time consuming/demanding piece is to find SWaM firms that are interested, qualified, and cost competitive with the resources to both sell to and service our primary campus in Blacksburg.

2. Do you have recommendations on ways the Commonwealth could improve SWaM business participation in agency procurement opportunities? Many of the suggestions offered above in question II-6 are applicable here as well:

- Provide an online tool for primes to report Tier II spend
- Allow reporting of indirect Tier II spend
- Eliminate reciprocity restrictions and certify every SWaM eligible firm
- Identify SWaM firms that have exceeded certain levels of spend with state agencies (ID high performers)
- Mandate JV/teaming arrangements on specific procurement opportunities
- - Conduct disparity study on a regional basis with sufficient data and analysis to establish a supportable SWaM spend benchmark for southwest Virginia.

3. In FY2017, what has your Agency done to improve expenditure opportunities for SWaM businesses?

- Avoiding exclusionary language when drafting RFP's
- Meeting with departmental leadership and making the business case for opportunity and inclusion in the supply chain
- Encouraging buyers to meet with both current and potential SWaM suppliers
- Participating in off-campus and on campus vendor fairs
- Providing visibility for SWaM suppliers to departmental buyers via the campus procurement platform (HokieMart) and the Procurement website
- Providing guidance to SWaM suppliers via the Procurement website

4. In FY2017, did you contact the Department of Small Business and Supplier Diversity(DSBSD) for assistance with: Complete the chart for all categories in terms of frequency.

Initial certification: Yes If yes, how often? 15

Renewal for a firm: Yes If yes, how often? 25

Searches for businesses: Yes If yes, how often? 10

To distribute your solicitation notices Yes If yes, how often? 2

5. How frequently does the Agency Director and Procurement Officer (or designated SWaM Champion) meet to discuss the SWaM goals, progress, challenges and support in achieving stated goals? Quarterly

6. In FY2017, what was one of your Agency's accomplishments in the SWAM program you feel best demonstrates your agency's efforts? We continued to make an effort to hire an experienced supplier diversity professional to lead, reinvigorate, and grow our SWaM initiative. Our efforts were successful and Mark Cartwright rejoined our team in August.

7. Are you familiar with the legislation that impacted SBSD? Yes

If yes, do you have questions or concerns with your ability to implement those changes? From an impact perspective, SB1192, which requires out-of-state businesses applying for certification to first hold an equivalent certification in their home state, raises some concern. In many instances the certification requirements in other states are more stringent than the certification requirements in Virginia. For example, a supplier that meets the SBE certification requirements in Virginia may not meet the SBE certification requirements in Maryland. Because they can get certified in Maryland, they can't be certified in Virginia. While well intended, the legislation serves to limit competition and results in the under reporting of SWaM spend.

HB1858, which will allow for the reciprocal certification of SWaM firms that hold certain SBA certifications is troubling as well. Foremost, the SBA does not have a certification program for SBE's. They rely upon self-certification. Further, there is no exact one-to-one certification match. Instead of WBE's the SBA certifies Women-Owned Small Businesses. Instead of MBE's, they certify Disadvantaged Business Enterprises, which may or may not be minority owned. The SBA also recognizes HUBZone and 8-a certifications which the Commonwealth does not. Our concern is that there will be additional data points to collect. We currently lack the ability to track spend in the Micro, ESO, HBCU, and SDV classifications, and adding additional certifications would further complicate matters from a resource and budgetary standpoint.

We're also anticipating a positive impact from the extension of the certification period from three to five years. Our data shows that we've experienced significant "leakage in the past. To clarify, SWaM firms that were certified at the time of our initial engagement would would fail to recertify in a timely manner. The five year certification period should help immensely. The all online/electronic certification process should add inefficiencies as well.

8. Do you submit adjustments and subcontracting spend in the expenditure dashboard monthly? No

If no, can you explain why you are not submitting adjustments and subcontracting spend monthly? We gather and report subcontracting spend manually on a quarterly basis. This is less burdensome for the reporting prime suppliers and facilitates buy-in and compliance.

9. What functionality would be most helpful to you in the Expenditure Dashboard? Provide a tool to easily identify the SWaM suppliers with the highest sales to state agencies.

10. Additional Information: In regard to spend goals for the Micro, ESO, HBCU and SDV categories we entered 1% for each per the instructions given be we will not be able to obtain these goals due to (1) lack of available firms and (2) lack of information and certification data to bounce against spend.

Our SWaM spend has been adversely impacted due to a significant decrease in capital construction. We had conservatively projected \$100 million in capital spend for FY17 yet the actual disbursement was only \$65 million. We are again conservatively projecting \$100 million of capital spend in FY18 which will significantly compress our SWAM spend goals. However, with the long vacant supplier diversity manager role now filled we are anticipating an impactful reinvigoration of our program.

Completed by: Mary Kelmick Signature: Mary Kelmick Date: 10/10/2017  
Reviewed by: A Dwight Shelton Signature: A Dwight Shelton Date: 10/13/17

Agency/Institution Head

(The Plan must be reviewed, approved and signed by Agency/Institution Head)