CAPITAL EXPENDITURES TO FEMALE-OWNED, MINORITY-OWNED, VETERAN-OWNED AND SMALL BUSINESS ENTERPRISES

Under the provisions of the Illinois Health Facilities Planning Act (20 ILCS 3960/5.3 (b) (2)), **any hospital having more than 100 authorized beds, and having any capital expenditures in excess of $350,000 for the erection, building, alteration, reconstruction, modernization, improvement, extension, or demolition of or by the hospital,** is required to complete this section of the annual hospital questionnaire (items A through J). The hospital may include capital expenditures below the $350,000 threshold, if desired.

A health care system may develop a system-wide annual report that includes all hospitals in order to comply with this requirement. If the health care system chooses to report in this manner, please indicate the health care system as the reporting entity. The health care system shall use as much State-specific data as possible in this report. If State-specific data is not available, the health care system shall include national data and explain why State-specific data is not available, and what steps the system will take to provide State-specific data in future reports.

If information pertaining to the open-ended questions in this section is currently available for the hospital or health care system on-line, the hospital or health care system may provide the on-line reference for the pertinent information.

Hospital or Health Care System*	University of Chicago Medicine
Contact Person for this Section	Alder Derose
Contact Telephone	(773) 834-5222
Contact E-Mail	Alder.derose@uchicagomedicine.org

* If the reported information is for a Health Care System, please indicate in the space below the hospitals included in the Health Care system.

If the reporting entity cannot provide all State-specific data, explain why State-specific data is not available, and what steps will be taken to provide State-specific data in future reports:

Please provide the following information based on your hospital or health system's most recently completed fiscal year

For this section, **Qualifying capital expenditures** include "only expenditures ... for the erection, building, alteration, reconstruction, modernization, improvement, extension, or demolition of or by a hospital" [20 ILCS 3960/5.3(b)(1)].

A. What was your organization's goal for qualifying capital expenditures to the following categories of businesses?

	Percentage
Female-Owned Businesses	6.0 %
Minority-Owned Businesses	35.0 %
Veteran-Owned Businesses	0.0 %
Small Business Enterprises	0.0 %

B. What was the amount of your organization's total qualifying capital expenditures for the reporting period? **If your organization had no qualifying capital expenditures, proceed to question D.**

Total Qualifying Capital Expenditures for the Reporting Period (Dollars)	$ 92,175,091.36

C. What amount of your organization's qualifying capital expenditures actually were to the following types of businesses?

	Actual Amount Expended (Dollars)	Percentage of Total (Calculated)
Female-Owned Businesses	$ 18,112,005.51	19.65 %
Minority-Owned Businesses	$ 21,600,952.56	23.43 %
Veteran-Owned Businesses	$ 0.00	0.00 %
Small Business Enterprises	$ 0.00	0.00 %

D. For what type or types of qualifying capital expenditures is/are your organization actively seeking supplier diversity?

New Construction
Renovation Projects
Plant Construction and Maintenance
Plant Products and Services
Spend Under $10,000

While we apply goals and track and monitor M/WBE outcomes in the areas of spend above for the purpose of this document, we are providing outcomes for new construction and renovation projects.

CAPITAL EXPENDITURES TO FEMALE-OWNED, MINORITY-OWNED, VETERAN-OWNED AND SMALL BUSINESS ENTERPRISES

E. What is your organization's plan for alerting and encouraging enterprises of your efforts to promote supplier diversity in your planned qualifying capital expenditures?

There are a number of strategies used to inform the various stakeholders of our intention to utilize certified Minority and Women owned firms on our projects:
- Presentations to the various advocacy groups for the purpose of informing their members of the upcoming project, including bid packages, liming for bid solicitations, specific project requirements and M/WBE contracting and workforce goals as applicable. Presentations historically made to members of Black Contractors United, African American Contractors Association, Hispanic American Construction Industry Association, Federation of Women Contractors, and other advocacy or contracting membership organization seeking information on an upcoming major project.
- Participation at all prebid activities wherein project focused information is provided to potential bidders including contracting utilization goals and workforce goals as applicable. Anticipated outcome - Complete competitive bid with M/WBE utilization provided on bid day.
- Minority and women owned firm participation applied to every project. These goals are stated in specific request for proposal documents so that potential bidders clearly understand our intention to award stated percentages of the project to diverse firms.
- Bidders list review prior to solicitation by construction management firm or general contractor to assure that the certified minority and woman owned firms are notified and solicitation for participation on the specific project.
- Implementing compliance processes throughout all phases of project to assure that minority and woman owned firms are actually participating on the project and are being paid consistent with prompt pay provisions in the contract.

F. What challenges has your organization encountered in its efforts to promote and encourage supplier diversity?

While we have managed to successfully mitigate most challenges encountered in the implementation of our diversity program we still have challenges identifying certified minority and women owned firms in particular trade areas specifically plumbing and mechanical (HVAC). Firms do exist in these service areas but they are low in number. The lack of availability compromises our ability to achieve maximum participation in this functional area. A strategy we are implementing started with an availability exercise wherein we sought to identify all certified firms in this geographic area working in the area of focus. We were hoping to identify emerging and/or newly certified firms that may not be on our bidders' list. We try to help emerging plumbing and mechanical firms with mentor/protege agreements with larger firms.

G. What could the Illinois Health Facilities and Services Review Board do to assist your efforts to increase supplier diversity?

The IHFSRB can assist in our efforts by continuing to encourage others to develop and implement robust supplier/contractor utilization programs. By providing certified, diverse firms with the opportunity of a consistent flow of work that they have a real possibility of winning, these firms have the possibility of increasing their technical capacity and financial depth. These firms will become organizationally healthy and will be able to hire more workers and take on larger and more complex jobs. They will become better business partners for us all.

H. What certifications does your organization recognize in the recruitment of diversely-owned vendors/suppliers?

* City of Chicago
* Cook County
* State of Illinois and/or its Agencies
* Womens Business Development Center or any of its Affiliate Councils
* Chicago Minority Business Development Council and/or any of its Affiliate Councils
* National Minority Business Supplier Development Council and/or any of its Affiliate Councils

CAPITAL EXPENDITURES TO FEMALE-OWNED, MINORITY-OWNED, VETERAN-OWNED AND SMALL BUSINESS ENTERPRISES

I. How should a potential vendor/supplier contact your organization (point of contact)?

Alder Derose
Director, Business Diversity & Construction Compliance
850 East 58th Street Room 410
Chicago, Illinois 60637
773-834-5222

J. How would a vendor/supplier enroll with your organization to be recognized as a vendor/supplier of diversity ownership?

A contractor/supplier does not have to enroll. But may be asked to provide their qualifications and current letter of certification.

K. Do you have particular examples of successful recruitment of diversely-owned vendors/suppliers which could be instructive to other organizations to emulate in their efforts to recruit diversely-owned vendors/suppliers?

*Set achievable but realistic goals
*Accountability - Key staff accountable for meeting or exceeding goals. Consider making this an element of the individual's performance evaluation.
*Make M/WBE utilization goals part of your contract with construction management firms and general contractors. Goal achievement contract language flows down to the agreements of the subcontractors.
*Put prompt pay language in contracts to assure the M/WBE as well as all firms are paid in a timely manner after the prime contractor receives payment. Small firms cannot wait 45 to 60 days for payment.
*Look at your hospital's payment processes. How long does it take to pay suppliers, vendors, Contractors?

It may be a bit difficult initially to recruit diverse firms. There is a cost associated with bidding work and small firms often times focus their efforts on preparing and submitting bidding bids to organizations where they believe they have a fair chance of being successful. An organization without a track record of utilizing diverse firms will have to build trust. Do not simply send the solicitation to the diverse firm and then bemoan the fact they did not respond. Pick up the phone and call the firm. Ask them to look at the solicitation and bid your work. Assure them of your intention to utilize diverse firms and your intention to maintain a level playing field upon which they have a fair chance of landing business with your hospital. Consider hosting some type of activity where you introduce the firms to decision makers in your organization. Take care to emphasize the validity of your program assuring them that your efforts are not merely " window dressing". Take a hard look at your firm and employ those who support the efforts of the organization to utilize diverse firms at all levels of the organization.