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*	Northwest Community Hospital
Contact Person for this Section	Brian Murray
Contact Telephone	(847) 618-5606
Contact E-Mail	brian.murray@endeavorhealth.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	0.0 %
Minority-Owned Businesses	0.0 %
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)	$ 16,571,782.00

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	$ 1,187,209.00	7.16 %
Minority-Owned Businesses	$ 1,419,300.00	8.56 %
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?

Endeavor Health is actively seeking supplier diversity within purchases for capital equipment, general and subcontracted services, material suppliers, service providers and consultants. For each RFP that we solicit from the vendor community we strive to include diverse suppliers, if available. If we are using a general contractor for a construction project we outline expectations related to diverse supplier utilization in initial bid requests and seek feedback and vendor recommendations from our contractor teams. We do not have goals for specific diversity spend requirements in each category and are in the earlier stages of developing these goals for our system.

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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?

Invitations to bid alert prospective vendors of our diversity participation goals. We strive to incorporate this in all projects as awareness of goals has already increased participation. We are actively using Supplier Gateway and published that to the vendor community.

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

Due to the nature of construction projects executed within the healthcare environment, only experienced contractors are considered to perform work within these sensitive environments. With the current state of the Chicagoland market and high diversity requirements in many large competing projects, most qualified labor has been engaged in these projects making them unavailable or unfavorable economically. We are seeing some general contractors employing inexperienced diverse vendors and helping them to gain experience in larger projects, this has been beneficial. Capital equipment is generally selected by clinicians with familiarity with the equipment and many large vendors have strong relationships with clinicians. Most diverse suppliers costs incrementally more than non diverse suppliers. With our

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

Invest in encouraging talent recruitment and development. Need to get these diverse suppliers on par with their competitors from a depth and sophistication perspective. Invest funds in the diverse suppliers in our community to lower their operating costs that would improve their costs to us going forward. Or provide a grant to organizations like ours to subsidize the cost increase of diverse suppliers. Compiling consolidated lists of diverse vendors as a guide to organizations can help to bring awareness of what diverse vendors exist within the market.

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

We require certification by a recognized third-party and require a copy of that certification. Some recognized organizations include:

Local or national minority supplier development councils
Woman owned business development centers
Local, State or Federal Government agencies
Nationally recognized Chamber of Commerce

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

Contact should be made through the Supply Chain Category Management team or in response to a bid request. Potential vendor/suppliers should make themselves available to general contractors and project managers in Healthcare Construction.

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

In working with the Category Management Team, or Construction Project Managers, the vendor/supplier will provide documentation if awarded as a vendor and they will be recognized in our 3rd party tool.

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?

Our construction teams look to many of the general contractors in the Chicagoland area and discuss those diverse partnerships they have formed. Many of the general contractors have forged both relationships and programs to help elevate the work product being provided. Additionally, there are many diverse suppliers who have grown from being material passthrough suppliers to active performers of work – capitalizing on these existing relationships and extending the breadth of scope for those same vendors has been beneficial to all parties.