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*	Ann & Robert H. Lurie Children's Hospital of Chicago
Contact Person for this Section	Dan Zorrilla
Contact Telephone	(312) 227-0972
Contact E-Mail	dzorrilla@luriechildrens.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)	$ 60,310,041.00

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	$ 2,337,490.00	3.88 %
Minority-Owned Businesses	$ 5,392,363.00	8.94 %
Veteran-Owned Businesses	$ 0.00	0.00 %
Small Business Enterprises	$ 13,535.00	0.02 %

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

Lurie Children's is actively seeking supplier diversity for all its construction manager contracts with particular emphasis on contracts above $350,000.

During the pandemic, the organization's capital construction output decreased significantly and, along with it, minority participation values. Over the past four years, our capital expenditures and the total percentage of minority participation have gradually increased to the current 12.8% total

We are further investigating supplier diversification and continue to provide mentoring opportunities.

In addition to our individual efforts, Lurie Children's is an active member of several hospital collaboratives working to increase diverse suppliers, hiring and investment, Healthcare Anchor Network, West Side United, and Senator Durbin's Chicago HEAL Initiative.

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?

To date, Lurie Children's has relied on its Construction Managers and partners to alert diversely-owned enterprises of opportunities to participate in construction-related capital expenditures through invitations to bid and has required diversity in the bidders list for each project prior to the solicitation in order to ensure diversely-owned enterprises are adequately represented.

Lurie Children's ongoing efforts include the following.

• Lurie Children's has Master Service Agreements with each Construction Manager to request that once a year they attend a meeting of a resource organization to present their upcoming projects for the year. Each agreement also stipulates that diversity inclusion shall be discussed, and agreed upon prior to bidding projects.
• Lurie Children's will continue to partner with Healthcare Anchor Network, West Side United and the Chicago HEAL Initiative to collaborate with other hospitals seeking to increase supplier diversity.
• Lurie Children's will continue to maintain a diversely owned vendor list that categorizes each vendor's experience into tiers so that they can be provided opportunities best suited to their capabilities
• Lurie Children's will encourage existing vendors and subcontractors to provide diversity inclusion within their existing scope, services and contracts.

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

Most of our projects involve construction in an occupied pediatric healthcare space, much of which operates on a 24/7 basis. This requires that contractors have extensive knowledge of infection control, disruption avoidance, and overall healthcare expertise to ensure patient and staff safety.

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

Lurie Children's would welcome opportunities to collaborate with other health care providers and the Board to learn about successful experiences and initiatives of other providers.

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

• Cook County Diversity Management System
• City of Chicago
• Chicago Minority Business Development Council (CMBDC)
• Women's Business Development Center (WBDC)
• State of Illinois Department of Central Management Services
• National Minority Supplier Development Center (NMSDC)
• Women's Business Enterprise National Council (WBENC)

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)?

Danilo Zorrilla, Senior Director of Design & Construction – (312) 227-0927, dzorrilla@luriechildrens.org

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

Contact our organization as outlined above.

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?

Lurie Children's has asked existing vendors and subcontractors to provide additional pricing for the inclusion of MBE/WBE within their existing scope. This has allowed for an additional venue of participation within the hospital along with off-site projects.