

To: Shannon Bellum, University Senate President

From: Jonathan Koppell, President

Date: March 27, 2025

Re: Response to Supplier Diversity Policy Proposal

President Bellum:

I have reviewed the Supplier Diversity Policy proposal and for the reasons outlined below, the University will not be adopting a formal supplier diversity policy at this time. However, please know that the University is committed to diversity in its procurement process to the fullest extent permissible by State law and we address each portion of the policy recommendation below.

Prior to addressing the proposal recommendations, it is important to acknowledge the general premise upon which this response rests: as a public university, Montclair is bound by the procurement laws, regulations, and procedures established by the State of New Jersey. We are only able to set-aside contract awards in two categories: Small Business Enterprises (SBEs) and Disabled Veteran Owned Businesses (DVOB). The University does not have the discretion to create separate set-asides for other groups of individuals, such as LGBTQIA+, economically disadvantaged or women proprietors. The University is able to, and does, encourage the participation of small and diversely-owned businesses in the procurement process, strengthening contracting opportunities for these entities however possible, while at the same time providing a value-added strategy that increases competition to ensure that the University's funds are maximized.

1. Provide guidance and training to employees on how to grow supplier diversity

The University agrees that educating its employees on the avenues by which supplier diversity can be achieved is valuable. While formal training sessions are not feasible at this time, the Supplier Team within Procurement Services is currently working to provide additional information regarding the vendors within the University's Workday system so that employees can more readily identify diverse traits among vendors. Once this system change has been implemented, Procurement Services will notify the University community.

2. Specify a set of guidelines for businesses to use in a targeted effort to increase diversity; e.g., those that are at least 51% owned and operated by people of color, indigenous, women, veterans, members of the LGBTQ+ community, or proprietors with disabilities or other social and economic disadvantages.

It is worth noting that the University will often inquire as to vendors' diversity efforts through the procurement process. For example, our construction Requests for Proposals require bidders to both

identify those subcontractors that are classified as SBEs and make a good faith effort to provide opportunities for SBEs. However, the University cannot affirmatively compel vendors' diversity efforts.

3. Ensure that these businesses have unimpeded access to the competitive procurement, and other business processes.

The University, as is required by law, publicly advertises our competitive procurements and posts them on our procurement website. We are unaware of any impediments to the competitive procurement process.

4. Seek to promote increased participation of these businesses in pursuing economic opportunities at the university.

At this time, Procurement Services must prioritize operations within the University. However, as previously mentioned, the Supplier Team is currently undertaking an effort to gather more information about eligible vendors to better equip the University community with the information necessary to extend more economic opportunities to diverse vendors.

5. Put forth a meaningful plan to increase the percentage of these businesses in a significant way across contract award tiers, e.g. \$10k or less, \$10-20k, \$20-30k, etc.

As a public university, Montclair is bound by the procurement laws, regulations, and procedures established by the State of New Jersey. We are only able to set-aside contract awards in two categories: Small Business Enterprises (SBEs) and Disabled Veteran Owned Businesses (DVOB). The University does not have the discretion to create separate set-asides for other groups of individuals, such as LGBTQIA+, economically disadvantaged or women proprietors. Additionally, the University may not dictate the value of a given procurement or create smaller contracts that will equal a larger contract to complete a task. Doing so, violates State authorized procurement best practices.

6. Set goals for larger suppliers, especially those already working with the University, to actively mentor, partner with, and purchase from these businesses.

The University does work to clearly communicate its expectation that larger suppliers contract with SBEs, including such in our Requests for Proposal. If a large vendor does not subcontract with an SBE or other diverse vendors, it must certify that it made a good faith effort to do so.

7. Provide regular updates, such as a live tracker, to the campus community that informs how we are doing in achieving our diversity goals.

The University agrees that this would be a beneficial source of information for the campus community. At this time, resources are not available for this type of process but the University will keep this recommendation in mind for possible implementation in the future.

Thank you for your thoughts.

Sincerely,



Jonathan Koppell
President