

ARTF Subcommittee Name: Business Practices

Recommendation Name	Description / Rationale	Necessary Actions	Responsible Division and/or Unit	Timeframe
<p>(1) Contracting Process barriers to local and minority owned businesses participation</p>	<p>Doing business with Drexel can be a daunting experience for small and minority owned businesses due to Drexel's contractual challenges and bureaucratic and legal expectations that often exceed the capacity of a small business to handle. To make our commitment to inclusive local business engagement real and tangible, we must tackle challenges of infrastructure, support resource allocation, risk aversion, disjointed processes, undue burden and variations in business cultures. Strategies to reduce or eliminate these barriers are critical to improving our spend with minority-owned businesses. Creating a pattern of inclusiveness in Drexel's procurement of goods and services and providing opportunity for supplier growth both inside West Philadelphia and throughout the Philadelphia region helps to ensure equal business opportunity for minority owned businesses to compete, grow, and collaborate with Drexel's faculty, staff and students adding significant value to Drexel's footprint.</p>	<p>1 Establish a centralized and independent committee to oversee the entire contract process to ensure no one department unilaterally overburdens the process</p> <p>2 Implement electronic contract management to improve efficiency and monitor the system</p> <p>3 Streamline the process for on-boarding new suppliers (particularly local and diverse suppliers)</p> <p>4 Hold technical support sessions for suppliers who are interested in working with Drexel</p> <p>5 Match Drexel commodities with local suppliers. Increase technical support to help minority and local suppliers to scale to meet Drexel's needs</p> <p>6 Update insurance requirements to meet actual needs of service</p> <p>7 Decrease contract processing time and the need to negotiate</p> <p>8 Increase payment terms based on size of the business</p>	<p>1 COO</p> <p>2 Procurement</p> <p>3 Procurement</p> <p>4 Procurement</p> <p>5 Procurement</p> <p>6 Risk Management</p> <p>7 COO/General Counsel</p> <p>8 Accounts Payable</p>	<p>1 year</p>
<p>(2) Increase participation for local</p>	<p>Drexel often relies on third-party contracts to deliver services to students and provide new campus spaces. This is particularly relevant in construction where Drexel leases land to a third-party developer and gives them the</p>	<p>1 Establish goals of 40% participation for local and diverse suppliers in all third party contracts</p> <p>2 Develop template contract language to be placed in all third party contracts</p>	<p>1 University Real Estate & Facilities</p> <p>2 Procurement, University & Community Partnerships, University Facilities & Real Estate</p>	

and minority suppliers in third party contracts	leases land to a third-party developer and gives them the rights to build and operate on the land. Drexel should establish minority and local business participation expectations when negotiating such deals.	<p>3 Establish a centralized and independent committee that will review all contracts to ensure that all of Drexel's goals and priorities are met with in the engagement (See 1.1)</p> <p>4 Increase technical support to help minority and local suppliers to scale to meet Drexel's needs</p>	<p>3 COO</p> <p>4 Procurement</p>	
(3) Develop a system to oversee and report on both the internal and external results	As Drexel develops clearer goals and guidelines for the participation of minority owned and local businesses in our purchasing practices, a strong system for evaluation, oversight, and reporting must be established to ensure the goals are being met.	<p>1 Establish formal and transparent key performance indicators (KPIs) and annual assessment with communicated results</p> <p>2 Establish/Identify independent oversight to oversee Drexel's strategy development, approval, implementation, review, and communicating results in concert with Executive Leadership</p>	<p>1 Procurement, University & Community Partnerships, University Facilities & Real Estate</p> <p>2 COO</p>	1 year
(4) Shift Tri-Party Diversity Agreements to Direct Local & Diverse Contracts	Tier 1 Diverse partnerships with large corporations is one mechanism that enables smaller businesses to supply goods to large institutions like Drexel. The weakness in this mechanism lies in the disproportionately small margins for the participating small business compared to actual sales. As a result, the small businesses engaged in these partnerships often do not experience substantial benefits from this type of arrangement. Drexel should re-examine its use of this practice and begin a shift to direct purchasing with local and minority-owned businesses instead.	<p>1. Review all tier 1 partnerships with diverse suppliers that have reseller partnerships with large corporations</p> <p>2. Complete an analysis of local and minority suppliers versus Drexel purchasing commodities</p> <p>3. Create a sustainable engagement with Drexel and diverse business which will enable Drexel to purchase directly</p> <p>4 Report on wealth creation and the margins from Drexel contracts for minority owned and local businesses</p> <p>5 Create an ongoing review of this businesses fulfillment process to ensure Drexel's operations will not be affected.</p>	<p>1. Procurement</p> <p>2 Procurement</p> <p>3 Procurement</p> <p>4 Procurement</p> <p>5 Procurement</p>	1.5 years
(5) Supplier Inclusion Training & Awareness	Drexel's supplier diversity and inclusion are not fully disseminated through the university and with departmental administrators. An awareness and training program to increase awareness and uptake of these goals can help improve purchasing with local and minority-owned suppliers.	<p>1. Create a video or digital presentation of Drexel's inclusion program.</p> <p>2. Work with HR to facilitate a method to distribute training video</p>	<p>1. Procurement</p> <p>2. Human Resources</p>	3 months

<p>(6) Diversity Partnerships</p>	<p>To increase the amount of responses from local diverse suppliers for Drexel business opportunities, it is recommended that Drexel invest in institutional memberships with advocacy organizations that share our anti-racism values and support Black and other entrepreneurs of color achieve business success</p>	<ol style="list-style-type: none"> 1. Determine advocacy organizations that Drexel will obtain membership 2. Determine what office with-in Drexel will coordinate the memberships for Drexel and which Drexel team members will be assigned to each organization 3 Create a board training program and have key Drexel leaders make board commitments where appropriate 	<p>1 Government Relations / University & Community Partnerships</p> <p>2 Government Relations / University & Community Partnerships</p> <p>3 Government Relations / University & Community Partnerships</p>	<p>3 months</p>
<p>(7) Supplier Inclusion Technical Support</p>	<p>Build out the team of professionals dedicated towards supplier inclusion can improve Drexel's ability to create more opportunity to local and diverse businesses, expand its outreach and foster stronger relationship with Drexel and its local community.</p>	<ol style="list-style-type: none"> 1. Create job description 2. Allocate funding for position 3. Interview, Hire and Implement Role 	<p>1. Procurement</p> <p>2 CFO, Procurement</p> <p>3 COO, Procurement</p>	<p>1 year</p>
<p>(8) Reposition endowment management practices to align with AR broad goals</p>	<p>The committee would like to review with our existing fund managers their proprietary scorecards regarding racial diversity, equity, and inclusion in order to understand the extent of their alignment with anti-racism values.</p>	<ol style="list-style-type: none"> 1 Identify current endowment fund managers and learn their internal metrics for racial justice 2 Recompete investment fund services and include the following required scoring parameters to better align with ARTF goals in antiracism and sustainability: board diversity, diversity of C-suite, diversity of CEO and CFO race, ethnicity and gender, endorsement and implementation of the Women's Empowerment Principles of the UN 3 Include diverse firms in a capacity in which they could be competitive in Drexel endowment fund manager RFPs going forward 4 Investigate existing ETFs and index funds that share institutional diversity values in the interim and divert up to 5% of current investment into competitive funds 	<p>1 CIO</p> <p>2 CIO</p> <p>3 CIO</p> <p>4 CIO</p>	<p>1 week</p> <p>6-18 mos</p>
		<p>1 Create investment criteria and develop an approval committee with participation from faculty from LeBow College of Business for due-diligence, Drexel Trustees, Alumni and other staff with relevant experience</p>	<p>CIO, LeBow College of Business</p>	<p>1-3 mos.</p>

<p>(9) Invest portion of Drexel's Endowment into a fund to make impact investments into small businesses and community initiatives</p>	<p>Drexel should invest \$3-\$5 million in a fund to make impact investments into small businesses and community initiatives in West Philadelphia.</p>	<p>2 Make initial endowment investment to an African-American led CDFI in West Philadelphia with applicable legal documents executed</p> <p>3 Fund a local business organization with institutional knowledge of West Philadelphia to provide origination, sourcing, and due-diligence on transactions out of fund management/success fees - that entity would be responsible for providing technical assistance to businesses and connection to University resources to help businesses/projects advance and generate a return</p> <p>4 Identify ways to keep the fund sustainable - i.e. a penalty for large University suppliers that do not meet diversity score card goals or minority subcontracting policy</p>	<p>CIO; Office of General Counsel</p> <p>CIO, University and Community Partnerships</p> <p>Procurement</p>	<p>1-3 mos.</p> <p>3 weeks</p>
<p>(10) Connect student spend to local businesses</p>	<p>Drexel student spend on food and snacks as well as goods and services can represent a substantial benefit to West Philadelphia businesses but a number of barriers exist around logistics and awareness. Drexel should launch a strategy to reduce and remove barriers to local business access to student spend.</p>	<p>1 Identify student spend patterns, needs, and interests through thorough analysis to understand local business opportunities</p> <p>2 Engage with local business associations to understand the local business landscape and how they could match student spend needs</p> <p>3 Create local business directories for student organizations based upon a match of local business capacity and student spend patterns</p> <p>4 Create toolkit to help local businesses overcome obstacles for gaining student organization spending</p> <p>5 Remove barriers for student organizations to spend locally for food and beverage products and services</p> <p>6 Create minimum student organization spending requirements of at least 15% of each organization's budget must be spent locally</p>	<p>1 EMSS 2 Procurement UCP</p> <p>3</p>	<p>3-9 mos</p> <p>1-2 mos.</p> <p>3-4 mos</p> <p>4-9 mos</p> <p>6-18 mos</p> <p>4-9 mos</p>
	<p>The committee would like to review existing partnerships and key business relationships to ensure the</p>	<p>1 Develop a scorecard / framework for evaluating how key business partners and University relationships align with Drexel's anti-racist values</p>	<p>1 CFO / Government Relations / University & Community Partnerships</p>	

<p>(11) Review University partnerships and key relationships to ensure they align with Anti Racism broad goals</p>	<p>and key business relationships to ensure the organizations align with Drexel's goals regarding racial diversity, equity, and inclusion in order to understand the extent of their alignment with anti-racism values. The committee would like to develop a framework for evaluating new partnerships or suppliers before Drexel commits to doing business with them.</p>	<p>2 Once the scorecard is developed, it should be used to evaluate all new relationships prior to Drexel doing business with the organization</p> <p>3. Determine the process to review existing relationships. Decisions will need to be made about who leads this process and what will happen when a business relationship does not demonstrate / share the same values as Drexel.</p>	<p>2 CFO / Government Relations / University & Community Partnerships</p> <p>3 CFO / Government Relations / University & Community Partnerships</p>	<p>6-18 months</p>
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