

# Diversity in Procurement

## How UT Employees Can Support Diverse Businesses

Karen Binkley, UT Procurement Services Small Business Liaison, [kbinkley@utk.edu](mailto:kbinkley@utk.edu).



### Impact of Small and Diversity-Owned Businesses

Small and diversity-owned businesses have a tremendous economic impact across the United States and in the state of Tennessee. Small businesses generate revenue and create new jobs. Explore the following resources to learn about the vital role that small and diversity-owned businesses play in our country.

- [U.S. Small Business Administration, Office of Advocacy](#). Scroll to “Topic Categories” for a full list of reports.
- [U.S Small Business Administration Small Business Profiles for the States and Territories](#).
- National Minority Supplier Development Council. Under “About Us,” see “Advocacy” and “Annual Reports.”
- [The Hackett Group](#). Open the search box and type “Supplier Diversity” to view articles.

### Defining Small and Diversity-Owned Businesses

The Tennessee Governor’s Office of Diversity Business Enterprise (GoDBE) is one of many agencies that certifies small and diverse businesses. To be eligible for one of the five GoDBE certification categories, Tennessee businesses must be for-profit, continuing, independent businesses performing a commercially useful function. See the criteria for each of the individual certification categories below.

<p><b>Small Business Enterprises - SBEs</b></p> <p>Fewer than 100 employees OR Gross receipts of no more than ten million dollars averaged over three years</p>	<p>Businesses at least 51% owned and controlled by persons in these categories:</p> <p><b>Disabled-owned Business Enterprises – DSBEs</b> <b>Minority-owned Business Enterprises – MBEs</b> (African American, Asian American, Hispanic American, Native American) <b>Service-Disabled Veteran-owned Business Enterprises - SDVBEs</b> <b>Women-owned Business Enterprises - WBEs</b></p>
---	---

Collectively, these businesses are known as “Diversity Business Enterprises” or “DBEs.”

#### *Why does UT adhere to GoDBE’s definitions for certified businesses?*

GoDBE measures small and diversity business spend for all Tennessee state agencies. When UT reports its small and diversity spend to the state, we are only allowed to report spend with GoDBE certified businesses.

### How Does Supplier Diversity Align with UT Procurement Policy?

*Our department wants to support small and diversity-owned businesses. May we buy ANY goods or services from them?*

Per UT policy, if goods and services are available through UT service centers or purchasing agreements, you must use those resources. *However, in doing so, you may still be supporting DBEs.*

- Several of UT’s Services Centers do business with small and diversity-owned businesses.
- UT has purchasing agreements with small and diversity-owned businesses. In the purchasing agreements table, <https://procurement.tennessee.edu/purchase-orders/>, search the tags column for the phrase “TN DBE” to identify companies certified by the Tennessee Governor’s Office of Diversity Business.

*We need goods or services that are not available through existing UT resources. May we buy from DBEs?*

Yes! Please seek DBEs for small purchases or purchasing requisitions when possible. UT policy encourages employees to use this resource, [TN Diversity Business Directory](#), to identify vendors for informal bids.

*My department needs goods/services procured through a formal bid. Will Procurement Services seek bids from DBEs?*

Yes! As required by the Tennessee Small Business and Minority-owned Business Purchasing and Contracting Act (TCA 12-3-801), the university will actively solicit bids from small and diversity-owned businesses.

## How Do Small and Diversity-Owned Businesses Fit into Departmental Purchasing?

UT encourages departments to support small and diversity-owned businesses within the guidelines of procurement policy. Think about how DBEs best fit into your department's purchasing strategy. Here are questions to consider.

- What goods and services do you purchase?
- Can your needs be met through UT's internal service centers and purchasing agreements?
  - Is there an existing UT purchasing agreement *with a DBE* that meets your needs?
  - If there isn't an existing UT agreement, are there DBEs that provide the goods and services you seek?
- What are your *expectations*?
  - What do you value most? Quality, innovation, price, service, delivery, lead time, customization, other?
- Are there DBEs that meet your *expectations*?
- Can your department satisfy the *DBE's* expectations?
  - Some very small companies may have requirements regarding lead times and type of payment.

## Identifying Small and Diversity-Owned Businesses

Visit the "For UT Employees" section of the UT Procurement Supplier Diversity webpage to link to the GoDBE Diversity Business Directory, <https://procurement.tennessee.edu/dbe/>. For the best results, click through the captcha screens and select "Download the Entire Directory." Select the CSV format for better sorting and filtering capabilities.

If you need help identifying DBEs for a Federal Small Business Subcontracting plan, contact UT's Small Business Liaison.

## Action Steps to Support Small and Diversity-Owned Businesses

- Seek DBEs for small purchases or requisitions when your needs cannot be met through existing UT resources.
- Refer DBEs that meet or exceed your expectations to other UT departments.
- Encourage DBEs to visit UT's Supplier Diversity webpage and take advantage of the resources.
- Introduce DBEs to UT's Small Business Liaison or your campus procurement office.
- Encourage DBEs to register as a bidder with Procurement Services so they can participate in bid and RFP opportunities. The Small Business Liaison can help.
- Encourage eligible businesses to consider GoDBE certification. GoDBE certification allows businesses to be listed in the state's diversity business directory, increasing their exposure among government agencies.
- When you send Payment Works invitations to new UT vendors, encourage them to complete the business classification and diversity certifications sections.
- Send your DBE success stories to UT's Small Business Liaison or your campus procurement office.
- Maintain a thorough knowledge of UT procurement policy. If you are uncertain about the answer to a vendor's question, *please refer them to the procurement office*. DBEs have expressed frustration in receiving conflicting information about UT procurement policy from UT departments.
- When speaking with vendors, use clear and descriptive language. Terms such as *registered, certified, licensed, approved, and preferred* are often misused and misunderstood. If a vendor uses one of these terms, ask them to clarify what they mean.
- Keep the conversation going! Stay in touch with UT's Small Business Liaison and other interested employees.

## Action Steps to Help with UT's Diversity Reporting

- Use correct GL codes when entering invoices in IRIS.
- If you do business with a GoDBE certified vendor and pay with a PCard, alert UT's Small Business Liaison so UT can capture the spend. You only need to do this once and it will be captured in all future reporting periods.
- If you work with a company that is certified by an agency other than GoDBE, introduce them to UT's Small Business Liaison to see if they are eligible for reciprocal certification with GoDBE.