



# **Small Business and Supplier Diversity Program**



# What is Supplier Diversity

- The procurement of goods and services from historically underutilized or marginalized businesses
- A proactive business process that seeks to provide all suppliers equal access to purchasing opportunities
- Provides opportunity, not preference; selective inclusion, not random addition of suppliers
  - The SBA, for most industries, defines a "small business" either in terms of the **average number of employees** over the past 12 months, or **average annual receipts** over the past three years. In addition, SBA defines a U.S. small business as a concern that:
    - Is organized for profit
    - Has a place of business in the US
    - Operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor
    - Is independently owned and operated
    - Is not dominant in its field on a national basis



# Who Qualifies

To qualify, a supplier can be privately held or publicly traded and the Company must be owned by an American citizen(s) where the ownership is 51 percent or greater in the selected area

- **ME = Minority Owned**

- African-Americans
- Asian Pacific
- Asian-Indian
- Hispanic
- Native American

- **WE = Woman Owned**

At least 51 percent owned by individuals with U.S. citizenship who are female

- **DE = Disabled**

Operated by a disabled individual or individuals

- **DVE = Veteran/Disabled Veteran**

Owned and operated by a veteran(s) disabled/ or not disabled of the U.S. Armed Forces



# Why Is Supplier Diversity Important to Corporate America?

## Federal Government

- **Public Law 95-507** which stipulates all government contracts valued over \$650K must have a diversity, Small Business , plan tied to it
- **Federal Streamlining Act** requires **5 percent of all government contracts be set aside for woman-owned businesses** and identifies hub zones and disabled veterans as a part of "diverse" contractor base
- Effects any company doing business with the federal government or its subcontractors
- FAR Clause 52.219-8 entitled "Utilization of Small Businesses
- FAR clause 52.219-9 entitled "Small Business Subcontracting Plan

## Regulatory Requirements

- General Order 156 outlines that companies governed by Public Utilities Regulatory Commissions are bound by various stipulations based on this order; established by the CPUC (California Public Utilities Commission), it mandates corporations attain the following spend levels with MWDVBEs or face sanctions: 15 percent minority enterprise, 5 percent women-owned enterprise, 1.5 percent disabled/vet enterprise
- Effects any company doing business as a "utility" includes both wireline and wireless carriers in Telecom, 2nd tier subcontracting is included
- Demographics
- Minorities = Total 82.5M, 29.5 percent of U.S. population  
Women = 143.3M, 51.9 percent of U.S. population

# Sample Attachment for Std. Contract Proposal

	SBA Target	Projection Based on Proposal		% Based on Total Contract Value
A)	23%	38.69%	Awarded to Small Business	33.66%
B)	77%	61.31%	Awarded to Large Business	53.33%
C)	5%	0.12%	Awarded to Small Disadvantaged Businesses	0.10%
D)	5%	9.03%	Awarded to Woman Owned Small Businesses	7.85%
E)	5%	0.0%	Awarded to HBCU's 48 CFR 226-370-8 OCT 2011 Report as SDB	0.0%
F)	3%	12.95%	Awarded to HUB Zone Small Businesses	11.26%
G)	3%	0.00%	Awarded to Service Disabled Veteran Small Business	0.0%
H)	3%	10.30%	Awarded to Veteran Owned Small Business	8.96%

**[Code of Federal Regulations \(CFR\) - U.S. Government Printing Office](#)**

# Diversity Program

SCI's Programs are being driven by customer requirements

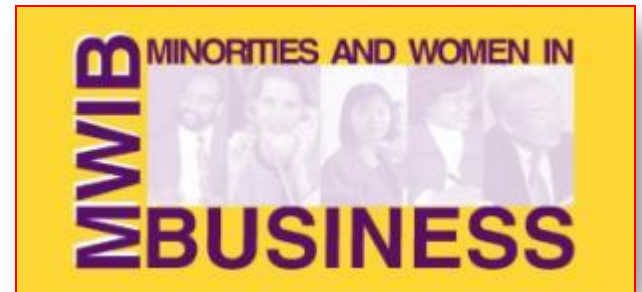
- Lockheed Martin
- The Boeing Company
- Raytheon
- General Dynamics
- LEIDOS
- SPAWAR
- Defense Logistics Agency
- Army Aviation Command
- Department of Defense



*It's the Right Thing To Do*

## SCI Technology Inc is a corporate sponsor of regional diversity groups

- **WBENC**
  - Women's Business Council Gulf Coast
  - Women's Business Council Southwest
- **NMSDC**
  - South Regions Minority Business Council
  - Dallas/Fort Worth Minority Business Development Council
- **Telecommunications Industry Group**



# Key Goals

- **Establish a preferred or approved diversity supplier in every major purchased commodity**
  - Distribution, metals, cables
  - Packaging, labels, hardware,
  - Looking for diversity partners in electronic and optical components
- **Establish process for local plant MRO purchases**
  - Services (landscaping, janitorial, food service)
  - Encourage local plant participation in diversity councils
- **Fully integrate diversity suppliers into all new Joint Design Manufacturing (JDM) designs**



**We are committed to meeting our customers' diversity goals**

**We are looking for innovative and aggressive diversity suppliers**

**The focus is on value, quality and service**





**Thank You**

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