MEMORANDUM

TO: State University of New York
Campus Presidents

FROM: Brian G. Hutzley
Vice Chancellor for Financial Services
and Chief Financial Officer (Interim)

DATE: November 4, 2011

SUBJECT: Utilization of Minority and Women-Owned Businesses

As required by NYS Executive Law Article 15-A, the University has substantially increased its University-wide goals for both minority and women owned businesses. The previous goals were 3% each for MBEs and WBEs. Additionally, in compliance with new regulations, the University has established goals in four areas:

<table>
<thead>
<tr>
<th>Category</th>
<th>MBE</th>
<th>WBE</th>
<th>M/WBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>7.00</td>
<td>4.00</td>
<td>11.00</td>
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<tr>
<td>Construction-related services</td>
<td>7.00</td>
<td>6.00</td>
<td>13.00</td>
</tr>
<tr>
<td>Non construction-related services</td>
<td>10.00</td>
<td>8.00</td>
<td>18.00</td>
</tr>
<tr>
<td>Commodities</td>
<td>8.00</td>
<td>5.00</td>
<td>13.00</td>
</tr>
<tr>
<td>Total</td>
<td>8.00</td>
<td>6.00</td>
<td>14.00</td>
</tr>
</tbody>
</table>

Based on the vigorous efforts of campus purchasing staffs, the University has made considerable advancement in the utilization of MWBEs over the last couple of years. While a number of campuses have recently met or exceeded the University-wide MWBE goals, three campuses – Albany, Geneseo and Purchase – have consistently demonstrated a good faith effort in patronizing minority and women owned businesses.
Some best practices that campuses have employed to help meet their MWBE goals are:

- ensure that MWBEs are directly solicited for quotes and bids (rather than relying solely on the NYS Contract Reporter advertisement);
- attend or sponsor a MWBE Vendor Fair to exchange information with minority- and women-owned companies;
- utilize the State’s new increased procurement flexibility (up to $200K) to contract with MWBEs for discretionary purchases;
- when a MBE or WBE’s initial quote for a discretionary procurement is deemed too high, negotiate with the MWBE to secure a reasonable price for the commodity or service;
- where appropriate and allowed by NY State Finance Law, determine if procurements can be unbundled into smaller quantities that may expand the participation of MWBEs;
- reach out to other campuses to identify potential MWBE vendors to meet discretionary purchase needs; and
- enforce MWBE subcontractor goals on construction and construction related service contracts.

The new legislation and State-established utilization goals will challenge us to do better. I would encourage campuses that have had or are having difficulty with utilization to reach out to their colleagues who have successfully and consistently contracted with minority and women businesses or those who are experiencing current success in the first two quarters this year. Along with Albany, Geneseo and Purchase, Oneonta, Cobleskill, Buffalo, Alfred, SUNYIT, and Maritime are campuses that might prove to be useful resources.

As always, System Administration staff is available to provide campuses with assistance and training. Due to the importance of this issue, utilization of MWBEs will be discussed further at the next Presidents’ meeting.