

## **Enhancing KCTCS Procurement and Supplier Diversity Efforts**

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## **Abstract**

*Kentucky Community and Technical College System (KCTCS) Procurement to Payment Services department achieve savings through best price evaluation and competitive sourcing while also being mindful and charged with the task of supplier diversity goals and increasing spend and opportunities for diverse suppliers. KCTCS has identified diverse suppliers as: African, Asian, Hispanic, Native American, Physically Disabled, Veteran, and Women owned. How KCTCS Procurement to Payment Services is supporting a supplier diversity initiative.*

### **Introduction of our organization**

The Kentucky Community and Technical College System (KCTCS) is the largest provider of postsecondary education and workforce training in the Commonwealth of Kentucky. We help students fulfill their dreams of creating a better life, and help employers by training the workers they need. KCTCS is a System of 16 college and more than 70 campuses offering a location within a 30-minute drive of 95 percent of all Kentuckians. KCTCS is represented in all 120 Kentucky counties by college, campus location, and faculty or staff members. KCTCS offers more than 600 academic programs and employs approximately 10,000 faculty and staff. The KCTCS operating budget for 2015-16 tops \$888 million. The KCTCS' focus is on changing lives, and transforming Kentucky's future for the betterment of its citizens, its business and its industries.

KCTCS' enterprise resource planning software is Oracle – PeopleSoft version 9.2, Tools 8.53. The financial modules are General Ledger, Accounts Payable, Purchasing, Asset Management, Travel and Expenses, Budgeting, and Accounts Receivable and Billing.

### **Statement (restatement) of the Problem/Initiative**

The overall objective of the Supplier Diversity Initiative is to ensure that KCTCS meets our 2010-2016 Strategic Plan goals to “reflect the diversity of the students and employees of our 16 colleges and the citizens of the Commonwealth of Kentucky.” To be successful we also look to expand our supplier base and provide more opportunity to increase competition in procurement from diverse suppliers. We want diverse suppliers to compete and win KCTCS business. And they do!

### **Design**

KCTCS utilizes our Diverse Supplier Collaboration Portal to register, qualify and communicate with current and potential diverse suppliers of certain goods and services. Suppliers are eligible to receive invitations to participate in opportunities to provide goods/services through a competitive Invitation to Bid, Request for Proposal, or Request for Quote process. There is **no cost** associated for suppliers to register or participate in identified opportunities. To be successful with KCTCS suppliers must provide impeccable quality and deliver as promised at competitive costs.

Business Services reports to the Vice President of Finance. Procurement to Payment Services is a department within Business Services and is responsible for the KCTCS Diversity Initiative. Requests from suppliers are added to a Diversity Supplier Source List. The list is posted on the Procurement to Payment website and is available for all KCTCS colleges to download and use when seeking

quotes. Business Services and Procurement to Payment staff attend, participate, and often times exhibit at community events throughout the year that are scheduled by various Chambers of Commerce or civic groups across the state of Kentucky. Many events are for the promotion of entrepreneurial start-ups that include minority and small businesses. Contacts made at any event are added to our diversity supplier source list.

KCTCS also hosts an annual Supplier Diversity Fair for diverse suppliers to meet with representatives and individuals for each of our 16 colleges and our System Office. The event is free and on a first-come basis due to space availability. Generally we have had from 60-85 suppliers and over 300 individuals in attendance. Suppliers are always extremely grateful to KCTCS for hosting this event that allows them an opportunity to showcase their goods and services and gain possible opportunities to do business with us.

KCTCS recently partnered with the Procurement Technology Assistance Center (PTAC) to assist us with strategies to increase our business with diverse suppliers. The goal of PTAC is to provide marketing and assistance to Kentucky businesses interested in selling their products and services to local, state and federal government.

## **Implementation**

We are in the early stages of implementing this non-traditional pilot program with PTAC, whereby PTAC will be sending suppliers in their database notification of opportunities for quoting with KCTCS. PTAC will assist when needed on how to submit a quote. Based on metrics from our past purchases we are soliciting quotes for requests \$6,000 to \$40,000 for items not on contract. Our procurement staff will be completing an evaluation on each award made to a PTAC supplier. Procurement will also monitor and track quotes received along with awards made to diverse suppliers. Our PTAC pilot is expected to be for a period of one year.

In order for us to capture diversity spend from our procard program, we moved the program under our banking supplier, PNC Bank. They are able to supply us monthly reports for spend with suppliers that are registered with PNC as diverse. We have found it is effective to send a monthly report of individual diversity spend to each college. The report gives the college a breakdown of spend with diverse suppliers by procard and AP voucher payments to diverse suppliers.

## **Benefits**

We have found that by implementing these best practices our number of diverse suppliers has increased, our quotes are now more competitive resulting in cost-savings to KCTCS.

## **Retrospect**

The process has provided great value in cultivating a strong partnership between our units, our diverse suppliers, our colleges, and our Procurement to Payment Department. All units are aligned with the project and our goal of increasing diversity spend.