



**Purdue University Minority-Owned and Women-Owned Business Enterprise**

Office of Supplier Diversity Development

# PURDUE UNIVERSITY MINORITY-OWNED BUSINESS ENTERPRISE AND WOMEN-OWNED BUSINESS ENTERPRISE UTILIZATION

BBC Research and Consulting examined the utilization of Indiana minority and women-owned business enterprises by the Indiana Department of Administration, the Indiana Department of Transportation, and seven state educational institutions (SEIs). Specifically, they examined both prime and subcontractor participation on these contracts between the study period of July 1, 2006 and June 30, 2009. The purpose of this study was to determine if disparities exist between the expected *availability* of MWBEs to perform work and the *utilization* of these businesses on state and SEI contracts.

## Availability Results on Purdue Prime and Subcontracts

Availability, according to the Indiana Disparity Study, is characterized as the availability of MWBEs that are “ready, willing, and able to perform” on these contracts.<sup>1</sup> It represents the percentage of dollars each group would expect to receive based on the characteristics of the contracts and subcontracts. The availability of MWBEs for Purdue University contracts and subcontracts was measured and then dollar-weighted based upon the type of work performed, the size of the contract, and the region wherein an MWBE is located. BBC found that between the study period 17.8 percent of Purdue’s prime and subcontractor dollars would be expected to go to MWBEs.

## MWBE Utilization

Utilization is defined as “the share of contract dollars going to” minority and women-owned businesses. The share is expressed as a percentage of prime contract and subcontract dollars obtained by each MWBE. Utilization was measured by the type of work performed and the size of the contract. Purdue University’s overall utilization of MWBEs July 1, 2006 to June 30, 2009 was 17.5 percent. For Fiscal Year (FY) 2014 (July 1, 2013 to June 30, 2014), the percentage of Purdue University prime contract and subcontract dollars obtained by MWBEs was 7.5 percent.

The following chart shows the percentage of prime and subcontract dollars that were expected to be obtained by MWBEs during the study period, as well as the utilization of those dollars during the study period and in FY 2013:

Availability of MWBEs on Purdue University prime contracts and subcontracts (2006-2009)	Utilization of MWBEs on Purdue University prime contracts and subcontracts (2006-2009) <sup>2</sup>	Utilization of MWBEs on Purdue University prime contracts only (2013)	Utilization of MWBEs on Purdue University prime contracts only (2014)
17.8%	10.9%	7.9%	7.5%

In an effort to effectively capture the dollar amount spent on MWBEs the Office of Supplier Diversity Development has enhanced its data collection to report Purdue expenditures to MWBEs based on ethnicity. The following data represents spend on five ethnic groups (African American, Native American, Hispanic American, Asian Pacific American and Asian Subcontinent) based upon the following industries: Procurement, Support Services, Construction, and Architecture/Engineering (A/E). Woman-owned business enterprise (WBE) data captured here are defined as white female businesses as outlined in the *2010 Indiana Disparity Study*.

1 “Availability of MBE/WBEs for IDOA, INDOT, and SEI Contracts.” *Indiana Disparity Study* 5-1

2 Overall utilization percent is the average of FY 2007 (9.4%), 2008 (13.6%), and 2009 (9.6%).

# Data Collection

The data results presented in the report are from CVM Solutions. CVM analyzed Purdue University expenditures with various firms and categorized each vendor by contact information, sales volume, employee size and other criteria. CVM also identifies vendors by ethnicity, gender and business certification.

## Explanation of Spend Data: Exclusions

(Excerpted from the 2010 Indiana Disparity Study)

In total, BBC began its analyses by examining 317,520 contracts and subcontracts as part of the utilization analysis, representing more than \$41 billion. Most of those procurements and corresponding dollars were **not included** in the disparity study for various reasons:

1. Most of the dollars that BBC excluded from the study belonged to the specific areas of work specialization (“subindustries”) that are not typically included in a disparity study, such as **governments and non-profits**.
2. Some were excluded from the study because they belonged to subindustries for which participating state agencies and SEIs awarded the majority of dollars to firms **outside of Indiana**, thus reflecting national markets.
3. Some procurements were excluded because they belonged to subindustries that represented relatively **small dollar volumes** (e.g. retail, repair services, etc).

Some were excluded because they could not be classified into a subindustry.

In order to incorporate the same structure the BBC used in its spend analysis, the Office of Supplier Diversity Development has aligned its analysis of MWBE spend to exclude the same procurements as the 2010 Disparity Study. Adopting these exclusions will help the Office of Supplier Diversity Development to accurately report utilization based upon the criteria and goals BBC developed in its analysis of the seven Indiana SEIs. The four exclusions are removed from the spend data listed above.

# Definition of Key Terms

The following is a list of terms used above as defined in the 2010 Indiana Disparity Study:

## **A. Ethnic Minority Groups** (as defined in federal regulations 49 CFR Part 26):

African Americans (or Black Americans)—includes persons having origins in any of the black racial groups of Africa;

Hispanic Americans—includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South America, or other Spanish or Portuguese culture or origin, regardless of race;

Native Americans—includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

Asian Pacific Americans—includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, Hong Kong, and other countries and territories in the Pacific set forth in 49 CFR § 26.5(e.g. Pacific Islanders); and

Subcontinent Asian Americans—includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka.

## **B. Classifications**

Certified—A firm certified with the State of Indiana or another certifying agency as a minority-or women-owned firm.

Classified—A firm that is self-certified or not certified with the State of Indiana or other certifying agency.

Minority-owned businesses enterprises (MBE)—A firm with at least 51 percent ownership and control by minorities. Minority groups are defined according to federal regulations as outlined above. Firms owned by minority women are counted as MBEs in the 2010 Indiana Disparity Study and in this report.

Woman-owned business enterprises (WBE)—A firm with at least 51 percent ownership and control by women. WBEs are referred to firms owned by white women in the 2010 Indiana Disparity Study and in this report.

## **C. Types of Industries**

Architecture/Engineering—vendors that offer various architecture-related and engineering services

Construction—includes vendors who provide services in the construction industry

Procurement—includes vendor services that supply a vast assortment of goods that are purchased by Purdue University

Support Services—includes vendor services that support the operations and infrastructure of Purdue University (including, but not limited to, printing services, janitorial, truck transportation, courier services, warehousing and storage, automotive repair and maintenance)

## Purdue University Breakout of Minority-Owned Business Enterprise and Women-Owned Business Enterprise Utilization

Below is a breakout of spend on the five ethnicities listed above as well as white, women-owned firms doing business in the following industries: Procurement, Support Services, Construction, and Architecture/Engineering (A/E). Ethnicity data are collected by CVM. The first set of data report the overall utilization in all industries followed by the utilization of MWBEs in each of the four industries.

### OVERALL UTILIZATION FY 2014: ALL INDUSTRIES (by Expenditures)

Ethnicity/Gender	Spend	Percent of Total Spend	Disparity Study Availability	Percent Certified Spend	Percent Classified Spend
African-American	\$409,152.90	.10%	3.8%	66.2%	33.8%
Native American	\$192,799.12	.05%	0.3%	93.5%	6.5%
Hispanic/Latino	\$3,252,943.26	.8%	1.0%	98.3%	1.7%
Asian Pac. American	\$2,559,893.63	.63%	1.2%	82.9%	17.1%
Asian Subcontinent	\$71,328.60	.02%	2.2%	25.4%	74.6%
WBE	\$24,074,428.82	5.9%	9.3%	90%	10%
<b>Total:</b>	<b>\$30,560,546.33</b>	<b>7.5%</b>	<b>17.8%</b>		

**Total SAP Financials Expenditure Base (including non-diverse firms): \$408,975,013.21**

**Total MBE Spend: \$6,486,117.51**  
**Percent of Expenditure Base: 1.6%**

**Total WBE Spend: \$24,074,428.82**  
**Percent of Expenditure Base: 5.9%**

**Total MWBE Spend: \$30,560,546.33**  
**Percent of Expenditure Base: 7.5%**

**UTILIZATION BY INDUSTRY FY 2014**  
**(by Expenditures):**

**Procurement**

<b>Ethnicity/Gender</b>	<b>Spend</b>	<b>Percent of Total Procurement Spend</b>	<b>DISPARITY STUDY AVAILABILITY</b>	<b>Percent Certified Spend</b>	<b>Percent Classified Spend</b>
<b>African-American</b>	<b>\$253,189.83</b>	<b>.09%</b>	<b>2.1%</b>	<b>45.3%</b>	<b>54.7%</b>
<b>Native American</b>	<b>\$192,799.12</b>	<b>.07%</b>	<b>0.0%</b>	<b>93.5%</b>	<b>6.5%</b>
<b>Hispanic American</b>	<b>\$3,152,912.48</b>	<b>1.15%</b>	<b>2.9%</b>	<b>98.3%</b>	<b>1.7%</b>
<b>Asian Pac. American</b>	<b>\$2,525,725.48</b>	<b>.92%</b>	<b>3.3%</b>	<b>82.6%</b>	<b>17.4%</b>
<b>Asian Subcontinent</b>	<b>\$71,328.60</b>	<b>.03%</b>	<b>0.0%</b>	<b>25.4%</b>	<b>74.6%</b>
<b>WBE</b>	<b>\$15,815,878.98</b>	<b>5.8%</b>	<b>9.1%</b>	<b>85.5%</b>	<b>14.5%</b>
<b>Total:</b>	<b>\$22,011,834.49</b>	<b>8%</b>	<b>17.4%</b>		

**Total Procurement Expenditure Base: \$274,542,761.83**

**Support Services**

<b>Ethnicity/Gender</b>	<b>Spend</b>	<b>Percent of Total Support Services Spend</b>	<b>DISPARITY STUDY AVAILABILITY</b>	<b>Percent Certified Spend</b>	<b>Percent Classified Spend</b>
<b>African-American</b>	<b>\$10,330.73</b>	<b>.36%</b>	<b>3.0%</b>	<b>100%</b>	<b>-</b>
<b>Native American</b>	<b>-</b>	<b>-</b>	<b>2.0%</b>	<b>-</b>	<b>-</b>
<b>Hispanic American</b>	<b>\$102,219.34</b>	<b>3.47%</b>	<b>5.4%</b>	<b>100%</b>	<b>-</b>
<b>Asian Pac. American</b>	<b>-</b>	<b>-</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>
<b>Asian Subcontinent</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>
<b>WBE</b>	<b>\$82,696.02</b>	<b>2.87%</b>	<b>23.1%</b>	<b>57.8%</b>	<b>42.2%</b>
<b>Total:</b>	<b>\$193,004.76</b>	<b>6.7%</b>	<b>34.3%</b>		

**Total Support Services Expenditure Base: \$2,881,017.44**

**UTILIZATION BY INDUSTRY FY 2014**  
**(by Expenditures), cont'd:**

**Construction**

<b>Ethnicity/Gender</b>	<b>Spend</b>	<b>Percent of Total Construction Spend</b>	<b>DISPARITY STUDY AVAILABILITY</b>	<b>Percent Certified Spend</b>	<b>Percent Classified Spend</b>
<b>African-American</b>	-	-	<b>4.3%</b>	-	-
<b>Native American</b>	-	-	<b>0.3%</b>	-	-
<b>Hispanic American</b>	<b>\$52.77</b>	.0%	<b>0.4%</b>	<b>100%</b>	-
<b>Asian Pac. American</b>	<b>\$2,068.15</b>	.0%	<b>0.3%</b>	<b>100%</b>	-
<b>Asian Subcontinent</b>	-	-	<b>2.6%</b>	-	-
<b>WBE</b>	<b>\$7,029,974.83</b>	<b>6.26%</b>	<b>7.8%</b>	<b>99%</b>	<b>1%</b>
<b>Total:</b>	<b>\$7,032,095.75</b>	<b>6.26%</b>	<b>15.9%</b>		

**Total Construction Expenditure Base: \$112,380,110.22**

**A/E**

<b>Ethnicity/Gender</b>	<b>Spend</b>	<b>Percent of Total A/E Spend</b>	<b>DISPARITY STUDY AVAILABILITY</b>	<b>Percent Certified Spend</b>	<b>Percent Classified Spend</b>
<b>African-American</b>	<b>\$145,632.34</b>	.76%	<b>3.6%</b>	<b>100%</b>	-
<b>Native American</b>	-	-	<b>0.4%</b>	-	-
<b>Hispanic American</b>	-	-	<b>0.9%</b>	-	-
<b>Asian Pac. American</b>	<b>\$32,100.00</b>	.17%	<b>2.2%</b>	<b>100%</b>	-
<b>Asian Subcontinent</b>	-	-	<b>2.7%</b>	-	-
<b>WBE</b>	<b>\$1,145,878.99</b>	<b>6%</b>	<b>13.5%</b>	<b>100%</b>	-
<b>Total:</b>	<b>\$1,323,611.33</b>	<b>6.9%</b>	<b>23.4%</b>		

**Total A/E Expenditure Base: \$19,171,124.72**

## Award Data for Construction and Architecture/Engineering

The data below represents dollars *awarded* to minority and women-owned firms in Construction and A/E. Please note that the data does not breakout MBEs by ethnicity.

### Awards by Construction and A/E, FY 2011-2014

#### Construction

FY	MBE	WBE	Percent
2011	5.8 million	14.8 million	13.0 %
2012	1.6 million	13.6 million	10%
2013	1.9 million	12.9 million	16.5%
2014	1.9 million	12.9 million	16.5%

#### A/E

FY	MBE	WBE	Percent
2011	1.4 million	2.2 million	26.4%
2012	.6 million	1.3 million	18%
2013	.4 million	1.1 million	15%
2014	.4 million	1.1 million	15%



## **ADDENDUM I: Count of Certified and Classified Vendors by Ethnicity**

This section shows the number of vendors in Procurement, Support Services, Construction, and Architectural/Engineering (A/E) that have worked with Purdue University during FY 2014. As with the previous section, the vendors are listed according to ethnicity. Women-owned Business Enterprise (WBE) again refer to white women-owned businesses.

### **Overall Utilization FY 2014: All Industries**

<b>Ethnicity/Gender</b>	<b>Number of Vendors</b>	<b>Percent of All Vendors</b>	<b>Percent Certified in Group</b>	<b>Percent Classified in Group</b>
<b>African-American</b>	<b>24</b>	<b>.15%</b>	<b>91.6%</b>	<b>8.3%</b>
<b>Native American</b>	<b>6</b>	<b>.03%</b>	<b>66.6%</b>	<b>33.3%</b>
<b>Hispanic/Latino</b>	<b>30</b>	<b>.19%</b>	<b>80%</b>	<b>20%</b>
<b>Asian Pac. American</b>	<b>42</b>	<b>.27%</b>	<b>40.4%</b>	<b>59.5%</b>
<b>Asian Subcontinent</b>	<b>16</b>	<b>.10%</b>	<b>37.5%</b>	<b>62.5%</b>
<b>WBE</b>	<b>282</b>	<b>1.8%</b>	<b>49.2%</b>	<b>50.7%</b>
<b>Total:</b>	<b>400</b>	<b>2.6%</b>		

**Total number of vendors (including non-diverse): 15,278**

**Total count of MBE Vendors: 118**

**Percent of All Vendors: 0.7%**

**Total count of WBE Vendors: 282**

**Percent of All Vendors: 1.8%**

**Total count of MWBE Vendors: 400**

**Percent of All Vendors: 2.6%**