

Baltimore Integration



Partnership

ANCHOR PROCUREMENT GUIDANCE FINAL REPORT

*DELIVERED BY NEXT STREET, M.L. WHELLEY
CONSULTING & U3 ADVISORS*

14 DECEMBER 2016

M.L. Whelley Consulting LLC.



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AGENDA

Objectives

Project Overview

Findings & Recommendations

The Case for Creating Leverage across Anchors

Next Steps

X BIP GOALS & STRATEGIES

- > The BIP plans to meet its ambitious target of creating 5,000 jobs in Baltimore by executing against **three guiding goals** and the strategies to accomplish each
- > Procurement is one of the three core goals that motivates these strategies

BIP GOALS	STRATEGIES
1. Connect local, small and minority-owned businesses to anchor procurement opportunities in Baltimore and the region	<i>Removing barriers to facilitate the participation of local/small/minority business in anchor purchasing</i>
2. Encourage and leverage anchor real estate investment for the intentional benefit of the broader community and small businesses	<i>Leveraging and supporting anchor real estate investments and small business investment to intentionally maximize benefit for surrounding communities</i>
3. Connect local, small and minority-owned businesses to more equitable opportunities and connect low income residents to jobs at anchors and anchor-supporting businesses.	<i>Removing barriers to access and training for increased hiring of local and minority residents by anchors and anchor supporting businesses</i>

- > Each of these efforts **carry forward from BIP's original focus**: To connect low income Baltimore City residents, who are predominately African American, to economic opportunity. This **overarching mission endures**.

OBJECTIVES OF CONSULTANT ENGAGEMENT

- > To support the goal of diversifying procurement, our consulting team was engaged to provide direct **procurement guidance** and **a series of specific process improvements to five interested anchors**
 - Each anchor's individual memo and recommendations are meant to introduce and advance how that institution can leverage procurement to connect local businesses with purchasing opportunities
 - In early 2017, we will deliver finalized memos to each of the five participating anchors (MICA, UMB, UMMS, LifeBridge, and Notre Dame)
- > In addition to the five participating anchors, our consultant team used key findings from the discovery process to develop **recommendations for the BIP as a collective**
- > Today, we will **share back the high level recommendations developed for the whole set of BIP's anchors** and posit some considerations for their successful implementation
- > Building on the previous share-out and the recommendations we are currently developing, we will present information we believe is helpful to **continue to hone the support the BIP provides the anchors that sit around its table**, that were made apparent through the commonalities and challenges faced by the five with whom we are working most closely

X ABOUT THE CONSULTANT TEAM

The consultant team has many years of experience providing advisory services to support innovative economic development initiatives, each with unique qualifications and experience that together make us highly qualified to support the Baltimore Integration Partnership and its anchors.

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- > Next Street provides advisory services and access to capital for some of the most dynamic companies and projects in America's most complex urban markets
- > Next Street has an integrated approach that bridges the market ecosystem, including nonprofits, large enterprises, government, and communities, with a focus on small businesses
- > **Team Members:**
 - Jon Aram, *CEO*
 - Jonathan Salzman, *Associate*
 - Aliza Sir, *Senior Analyst*

M.L. Whelley Consulting LLC.

- > As the Principal of Whelley Consulting, Michele Whelley provides a full range of economic development consulting services, from strategic planning through implementation and project management
- > Whelley has provided consulting services for Johns Hopkins Medical Institutions, a number of private sector development companies, and provided staff support to a past BIP initiative over the course of a 2-year contract
- > **Team Member:**
 - Michele Whelley, *Principal & Founder*



- > U3 Advisors is a nationally recognized consulting firm that provides real estate and economic development solutions to anchor institutions
- > U3 Advisors helps their clients leverage their assets, implement complex real estate projects and deploy existing demand in support of institutional and community goals
- > **Team Members:**
 - Omar Blaik, *CEO & Co-Founder*
 - Shea O'Neill, *Research Associate*

X 12/14 DISCUSSION WITH BIP

Agenda for 12/14

- > Provide update on the progress made on procurement guidance memos with each of the five participating anchors
- > Discuss findings revealed from work with the individual anchors from relevant areas of our framework
- > Assess and discuss implications of and recommendations to manage identified areas of success and challenge facing Baltimore-area anchors
- > Share potential ways anchors can coordinate/share resources and support each others' efforts to lever these recommendations



Objectives

At the end of today we should have:

1. Feedback from the meeting members on the recommendations presented to help anchors to generally improve their ability to lever procurement for economic development goals
2. Understand the tensions that anchors should consider balancing when venturing to make any incremental changes to process, incentives, etc.
3. Understand the ways anchors can support each other and collaborate to enhance their impact together

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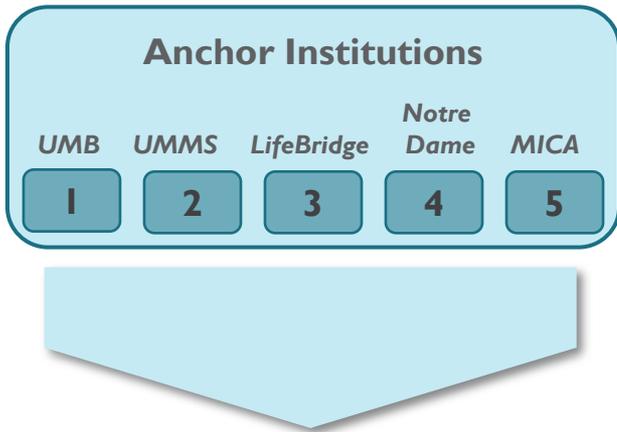
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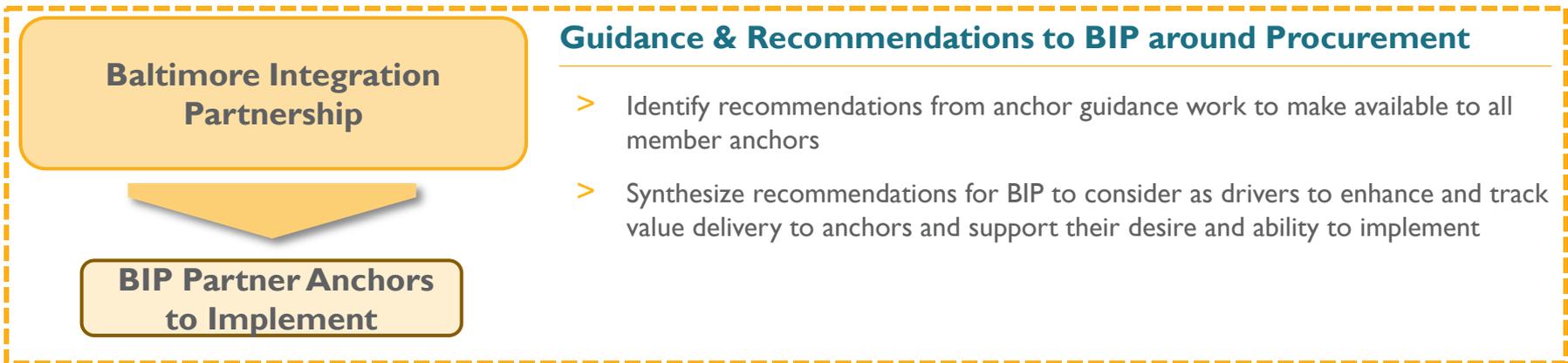
X PROJECT OVERVIEW

The aim of this work is to deliver individual memos to five participating anchors, as well as recommendations that enable all BIP anchors to further formalize and strengthen processes for minority and local inclusion through purchasing.



Institution Level Guidance around Procurement

- > Establish current state practices, policies, and habits around buying from which to assess improvement opportunities
 - Sequenced interview program of 40+ stakeholders from the anchors and 9 non-anchor BIP stakeholders
 - Best practice research
- > Craft actionable short-term (i.e., ‘quick wins’) and longer-term, broader scope (i.e., ‘strategic drivers’) recommendations for anchors to weigh as routes to improve impact through buying



Guidance & Recommendations to BIP around Procurement

- > Identify recommendations from anchor guidance work to make available to all member anchors
- > Synthesize recommendations for BIP to consider as drivers to enhance and track value delivery to anchors and support their desire and ability to implement

X ANCHOR-SPECIFIC STAKEHOLDER ENGAGEMENT

We spoke with nearly 40 different stakeholders across the five anchor institutions in order to collect our findings on each institution.

MICA

1. Chris Bohaska, Senior Director for Operations Business Services
2. Mike Molla, VP of Strategic Initiatives
3. Chris Goss, AVP of Fiscal Affairs
4. Roland Weeden, Facilities Management
5. John Wells, AVP of Facilities & Campus Planning
6. Dan Gilbert, Planning & Construction
7. Rufus Davis, Director of Building Services

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UMMS

1. Dana Farrakhan, SVP of Strategy, Community, and Business Development
2. Justin Graves, Sustainability Manager
3. Michele Williams, M/WBE Program Manager
4. Leonard Taylor, VP Facilities Management
5. Linda Whitmore, Director of Project Development
6. Donna Jacobs, SVP & Chief Medical Officer
7. Sherrie Stephens-Hunt, Director of Business Management
8. Gary Kane, Operations & Support Services
9. Don Ray, VP of Operations – Midtown
10. Walt Agustin, VP Financial Services - Rehab

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UMB

1. Joe Evans, Director of Procurement Services
2. Ashley Valis, Exec. Director of Community Initiatives & Engagement
3. Bill Joyner, Coordinator, Office of Community Engagement
4. Dawn Rhodes, Chief business and Finance Officer
5. Roger Ward, VP for Operations and Planning
6. Bob Rowan, Associate VP for Facilities & Operations
7. Joselyn Hopkins, Associate Director of Procurement Services
8. Kathy Bordenski, Director of Procurement Services
9. Billye Sanford, Associate Director of Procurement Services (Construction)

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LifeBridge

1. Martha Nathanson, VP of Government Relations & Community Development
2. Terry Carney, Vice President of Supply Chain
3. Shermaine Pollard, Strategic Sourcing Manager
4. Halla Ingvars, Director of Strategic Sourcing
5. David Krajewski, LifeBridge Health
6. James Roberge, VP of Capital Improvement & Support Services
7. Chris Panagiotopoulos, CTO
8. Neil Meltzer, CEO

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Notre Dame

1. Greg Fitzgerald, Chief of Staff
2. Marty Kajic, Director of Facilities Management
3. John Coppola, AVP for Finance
4. Herb Hansen, CFO
5. Warren Szelistowski, Director of IT

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X BALTIMORE STAKEHOLDER ENGAGEMENT

Additionally, we conducted select interviews with several key stakeholders around the BIP to round out our understanding of the BIP and its network.

Anchor Institutions

1. Affan Sheikh, JHU
2. Thomas Dawson, Coppin State
3. Audrey Johnson and Tanya Edelin, Kaiser Permanente

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Government / Support Programs & Orgs.

1. Paul Taylor, City Small Business Resource Center
2. Bill Cole, Baltimore Development Corporation
3. Ellen Janes, Central Baltimore Partnership
4. Diane Bell-McKoy, Associated Black Charities

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Funders & BIP Leadership

1. Celeste Amato, ABAG
2. Matt Gallagher, Goldseker Foundation

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X FINDINGS AND RECOMMENDATIONS

- > The following set of recommendations **pulls from three main sources** of information:
 1. Primary interviews with select anchor staff
 2. Resources and materials shared by anchors
 3. Best practices known by consultant team
- > These recommendations are intended to provide incremental, tactical suggestions for how to **enhance the impact of the BIP anchors'** procurement on local economies and communities through purchasing from local and M/WBE businesses
- > It is our hope that these **recommendations will spur thinking** about how individual BIP anchors can find ways to increase:
 1. Dollars spent with these businesses
 2. Number of contracts signed with these suppliers
 3. Number of local and diverse suppliers that the anchors are working with
- > Above all, this will take an **intentional, and sometimes creative, effort from BIP's member institutions**; some of these recommendations will require the utilization of resources, programming, and staffing, which may be better leveraged together or by multiple anchors in concert.
- > We will go on to describe how the anchors and the BIP between them can think about **their roles in advancing the impact achieved by all** by working in tandem and coordination with each other
 - Given the investments needed to execute some of these recommendations, we are hopeful this is the first of many conversations about how the BIP and its anchors can collectively drive impact

X COMPLEMENTING ONGOING BIP EFFORTS

The BIP's anchors have already realized that procurement can act as a catalyst for business development in the communities they serve and have made efforts to create impact, yet challenges to overcome still persist.

Anchors are already making efforts...

- > Deepening understanding and incorporation of economic inclusion policies and practices into procurement
- > Adjusting “standard operating procedures” to facilitate more small/local/MWBE contracting:
 - Unbundling large contracts
 - Assessing bids based on value in addition to cost
 - Developing relationships with subcontractors
 - Disseminating information more widely about upcoming opportunities
- > Establishing point of contact between the Institution and the community organization

But challenges remain to be solved for

- > Entry into anchor procurement departments difficult to figure out/navigate
- > Large contracts that are placed with “go-to” companies for multi-year terms
- > Hesitancy to work with unfamiliar subcontractors due to persistent concerns about their capacity, experience
- > Payment schedules often very lengthy, putting small businesses at a disadvantage
- > Lack of internal and external technical assistance for preparing Responses to RFPs and resources for capacity building
- > Anchor resistance to changing procedures that may cost time and money for procurement staff

*Source: University of Colorado Denver – Center of Network Science, ongoing research for BIP

X FRAMEWORK FOR DEVELOPING RECOMMENDATIONS

To support each anchor to overcome these shared challenges, recommendations were developed across four key areas of procurement activity. Subsequent recommendations are mapped based on where anchors *stand today*, understanding anchors have individual priorities, goals, and restrictions that influence what they can accomplish.

Drivers of Procurement Process and Practice



Sourced from Next Street's Framework for Drivers of Anchor Procurement and Hiring

EXECUTIVE SUMMARY: SUCCESSES SHARED BY ANCHORS

Driver	Category	Findings Across Sample Anchors	Dissimilarity Index
Planning & Budgeting	Goal Setting	<ul style="list-style-type: none"> Many anchors have started discussions to set their own diversity goals and targets; some anchors have agreed to do so through letters of commitments from anchor leadership to the BIP, though most remain in discussion 	5
Accountability & Communication	Leadership & Incentives Alignment	<ul style="list-style-type: none"> Nearly all of the anchors' senior leadership have agreed and communicated the importance of buying local as an organizational priority, often as part of a broader civic engagement agenda 	5
Supplier Sourcing	Supplier Identification	<ul style="list-style-type: none"> Anchors have made meaningful efforts to find local suppliers, but are hard pressed to find viable and interested suppliers Anchor buyers often used supplier fairs, diversity lists, and known consultants to help them broker relationships with suppliers 	5
Supplier Support & Development	Delivery Performance Support	<ul style="list-style-type: none"> Nearly all anchors have some internal resources and willing to provide some ad hoc supplier support to local or minority suppliers, helping them navigate processes Support provided on a sporadic and individual basis—and often based on preexisting relationships with the supplier 	5
Accountability & Communication	Analysis & Reporting	<ul style="list-style-type: none"> Most anchors have started to regularly report on their success around spend with minority/local firms, though few widely discuss or share the results 	4
Planning & Budgeting	Reg. / Policy Landscape	<ul style="list-style-type: none"> Non-public anchors tend to lack a specific mandate or requirement to buy local / from diverse businesses, beyond on projects that benefit from public funding 	3

Note: Higher dissimilarity index score indicates greater commonality among anchors, and thus greater likelihood to be shared across other anchors

EXECUTIVE SUMMARY: SUCCESSES THAT VARY ACROSS ANCHORS

Driver	Category	Findings Across Sample Anchors	Dissimilarity Index
Planning & Budgeting	Tracking & Measurement	<ul style="list-style-type: none"> Though most acknowledge the importance of having goals/targets, few have set and/or widely communicate their own goals 	2
Accountability & Communication	Continuous Improvement	<ul style="list-style-type: none"> Reporting on goals/success is new, and some are just beginning to bring procurement under central management/oversight to facilitate future reviews or success 	2
Supplier Sourcing	Supplier Selection	<ul style="list-style-type: none"> Supplier selection criteria varies widely across different anchors, though all anchors state that quality, safety, and cost are top priorities 	2
Supplier Support & Development	Supplier Relationship Management	<ul style="list-style-type: none"> Anchor relationship management with small suppliers remains informal, based mostly on personal ties to supplier businesses 	2
Planning & Budgeting	Organizational Priorities	<ul style="list-style-type: none"> All anchors acutely understand need to invest in communities, both as down payment to city, but also as way to hedge future challenges around racial and socioeconomic inequality High degree of variation in how 'local' compares to other priorities 	1
Supplier Sourcing	Bid Process	<ul style="list-style-type: none"> Formality and regularity of bid processes vary widely; smaller anchors tend to allow individual departments to make most purchases within annual budget Larger anchors generally have thresholds above which bids are formally sent out, while smaller contracts are still determined at the department level 	1
Supplier Support & Development	Procurement Process & Navigation Support	<ul style="list-style-type: none"> While some anchors have supplier portals to load in new suppliers, most continue to rely on their internal staff to support suppliers through the process ad hoc 	1
Supplier Support & Development	Supplier Development	<ul style="list-style-type: none"> None of the anchors have formal supplier development efforts; all support is offered informally and ad hoc 	1

Note: Higher dissimilarity index score indicates greater commonality among anchors, and thus greater likelihood to be shared across other anchors

EXECUTIVE SUMMARY: CHALLENGES SHARED BY ANCHORS

Driver	Category	Findings Across Sample Anchors	Dissimilarity Index
Planning & Budgeting	Organizational Priorities	<ul style="list-style-type: none"> For higher education and healthcare organizations, buying focused on managing costs, often through supplier consolidation and volume purchasing Junior staff not always clear on how to balance cost mgmt. / best deal against buying local / diverse without mandated goals 	5
Accountability & Communication	Analysis & Reporting	<ul style="list-style-type: none"> Most anchors have individual definitions of local and diverse that are not shared across anchors Many choose definitions that allow them to most easily meet targets 	5
Accountability & Communication	Continuous Improvement	<ul style="list-style-type: none"> Few regular conversations to review impact achieved over time, which limits ability of anchors to meaningfully hone approach to impact over time 	5
Supplier Sourcing	Supplier Identification	<ul style="list-style-type: none"> Anchors agree that local suppliers are hard to find through known channels All anchors want to be able to more easily screen for capacity and sophistication of suppliers 	5
Supplier Sourcing	Bid Process	<ul style="list-style-type: none"> No anchors perceived their staff to have time/capacity to take on new tasks; this is made more difficult with tight budgets and cost management pressures from leadership 	5
Supplier Support & Development	Supplier Development	<ul style="list-style-type: none"> The lack of a concerted supplier development effort limits the creation of a viable pool of suppliers with which anchors can build relationships and have a local impact 	5
Planning & Budgeting	Reg. / Policy Landscape	<ul style="list-style-type: none"> Public organizations appears to be most limited by requirements around public procurement Healthcare anchors are under pressure with falling reimbursements and group purchasing preferences 	4

Note: Higher dissimilarity index score indicates greater commonality among anchors, and thus greater likelihood to be shared across other anchors

EXECUTIVE SUMMARY: CHALLENGES THAT VARY ACROSS ANCHORS

Driver	Category	Findings Across Sample Anchors	Dissimilarity Index
Planning & Budgeting	Goal Setting	<ul style="list-style-type: none"> Several anchors had set targets; select few are already exceeding goals 	3
Supplier Sourcing	Supplier Selection	<ul style="list-style-type: none"> For most anchors, cost remains the top priority to make a final supplier selection, making it difficult for local suppliers to compete with larger competitors 	3
Supplier Support & Development	Procurement Process & Navigation Support	<ul style="list-style-type: none"> Many anchors still have relatively decentralized procurement processes, with smaller anchors depending heavily on p-cards to enable purchasing by individual departments and staff 	3
Planning & Budgeting	Tracking & Measurement	<ul style="list-style-type: none"> Anchors did not share definitions of 'local' or minority status, impeding cross-anchor comparisons 	2
Accountability & Communication	Leadership & Incentives Alignment	<ul style="list-style-type: none"> Senior leaders within the institutions continue to have to balance organizational and bottom-line priorities with their investments locally 	2
Supplier Support & Development	Delivery Performance Support	<ul style="list-style-type: none"> Few anchors have systematic support available to small / local suppliers to help them understand the rigors of working with a large institution 	2
Supplier Support & Development	Supplier Relationship Management	<ul style="list-style-type: none"> While some institutions have dedicated supplier diversity officers, most continue to support suppliers only when a specific contract is being bid As a result, suppliers are expected to navigate processes independently 	1

Note: Higher dissimilarity index score indicates greater commonality among anchors, and thus greater likelihood to be shared across other anchors

X RECOMMENDATIONS: PLANNING & BUDGETING

		Findings	Challenges/Implications	Recommendations
What's Working	Goal Setting	<ul style="list-style-type: none"> ▪ Anchors are actively working to set diversity goals / targets ▪ Some anchors have submitted letters of commitment to goal setting from anchor leadership to the BIP 	<ul style="list-style-type: none"> ▪ Momentum can be difficult to maintain; goal setting requires a level of accountability that is challenging to implement ▪ Representatives at the BIP lack the authority to require or execute goal-setting ▪ Senior anchor leaders are engaged in the BIPs effort in different ways and frequencies across anchors 	<ul style="list-style-type: none"> ▪ Conduct structured fact finding to understand why goals are difficult to set (e.g., regulatory, reputational concerns) ▪ Engage senior anchor leadership in BIP meetings to facilitate goal-setting* ▪ Share how / through which process goals were set at peer anchors, to understand a possible path forward* ▪ Formally establish goal for diverse and local inclusion in spend against which to monitor success
	Organizational Priorities	<ul style="list-style-type: none"> ▪ With tight budgets and increased uncertainty about the economy, anchors are moving to manage costs through buying ▪ For higher education and healthcare organizations alike, organizational focus remains on managing costs, often through supplier consolidation and volume leveraging; 	<ul style="list-style-type: none"> ▪ There are limited contracts on which local, often smaller suppliers, can compete ▪ Ample opportunity exists for suppliers to participate at Tier II contractors if proper incentives and management are in place 	<ul style="list-style-type: none"> ▪ Conduct an assessment of past spend data to define categories with strong potential for local and diverse supplier participation* ▪ Encourage major tier I suppliers to provide more opportunities for local/diverse suppliers on a subcontractor basis, through contract requirements and preferences* ▪ Regularly communicate incentives for departmental buyers (e.g., time savings, process streamline) to utilize local or minority suppliers

* Denotes recommendations which public/state anchors can also consider

X RECOMMENDATIONS: ACCOUNTABILITY & COMMUNICATION

(1 OF 2)

		Findings	Challenges/Implications	Recommendations
What's Working	Leadership & Incentives Alignment	<ul style="list-style-type: none"> Nearly all of the anchors' senior leadership had agreed and communicated the importance of buying local as an organizational priority 'Buy local' initiatives are often integrated into broader community engagement agendas 	<ul style="list-style-type: none"> Priorities are often in competition with organizational priorities such as budget constraints and regulatory changes Especially in an era of greater uncertainty with administration changes at the City and federal levels, anchors are moving to ensure their own stability in the mid-term 	<ul style="list-style-type: none"> Promote the ambitions of presidents through relevant industry thought-leaders, (e.g., CUMU, Anchor Task Force) to better market their individual efforts and provide an incentive for future investment/buy-in* Continue to espouse activities and priorities of senior leaders to BIP anchors as a carrot to other anchors not as bought-in*
		Opportunity to Improve	Analysis & Reporting	<ul style="list-style-type: none"> Most anchors have individual definitions of local, and diverse that are unique to them and allow the institution to meet their targets quickly / easily

* Denotes recommendations which public/state anchors can also consider

X RECOMMENDATIONS: ACCOUNTABILITY & COMMUNICATION

(2 OF 2)

		Findings	Challenges/Implications	Recommendations
Opportunity to Improve	Continuous Improvement	<ul style="list-style-type: none"> While senior leaders state the importance of buying local, there are few regular conversations to review impact achieved over time 	<ul style="list-style-type: none"> Buying local is often construed as a non-core business activity Regular reporting reinforces behaviors and the importance of these efforts; yet without regular reporting and measurement of change it is difficult to develop buy-in and support 	<ul style="list-style-type: none"> Establish regular quarterly meeting to review progress against goals over time* Consider using qualitative data alongside quantitative data depending on what is available to describe and measure impact Ensure a single staff person is responsible for keeping meeting on calendars, agenda setting, etc.*

* Denotes recommendations which public/state anchors can also consider

X RECOMMENDATIONS: SUPPLIER SOURCING (1 OF 2)

		Findings	Challenges/Implications	Recommendations
What's Working	Supplier Identification	<ul style="list-style-type: none"> ▪ Anchors make meaningful efforts to find local suppliers, but were hard pressed to find viable and interested options ▪ Anchor buyers often use supplier fairs, diversity lists, and known consultants to help broker relationships with suppliers 	<ul style="list-style-type: none"> ▪ Sharing of supplier information across anchors occurs on an ad hoc basis ▪ Emphasis on pre-existing relationships can decrease the likelihood of 'new entrants' into the supply chain as anchors are biased to incumbents 	<ul style="list-style-type: none"> ▪ Establish shared understanding of 'frequently used' diverse and local suppliers across anchors ▪ Encourage and communicate to buyers to be cognizant of supplier utilization, and importance of managing an incumbent bias ▪ Leverage current suppliers to tap their networks in order to ID new local businesses
	Supplier Identification	<ul style="list-style-type: none"> ▪ Anchors agree that local suppliers are hard to identify and that current channels / resources are not easily accessible ▪ Anchors need additional resources for screening supplier: scale/ sophistication in each of their relevant domains 	<ul style="list-style-type: none"> ▪ Anchors think that there are few local suppliers that can adequately meet their needs ▪ Suppliers have the perception that anchors are "closed shops" and unwilling to work with local suppliers / or help them to 'break in' 	<ul style="list-style-type: none"> ▪ Ask suppliers what information would be helpful to know about related to anchors' buying decisions (e.g., capacity, financial strength, diversity status, location) ▪ Determine the information needed by anchors to more effectively screen suppliers (e.g., capacity measures, diversity status, past experience) ▪ Consider other emerging models of supplier ID to be used jointly among anchors ▪ Consider the importance of having an active and specific relationship with City leaders to establish/manage supplier data collection and community engagement as a 'shared resource'*

* Denotes recommendations which public/state anchors can also consider

X RECOMMENDATIONS: SUPPLIER SOURCING (2 OF 2)

		Findings	Challenges/Implications	Recommendations
Opportunity to Improve	Bid Process	<ul style="list-style-type: none"> Not all anchors have dedicated buying staff to implement process changes None of the anchors believe that they have staff with the time/capacity to take on new tasks 	<ul style="list-style-type: none"> Anchors have trouble finding internal champions, leadership / accountability, or the budget to support and sustain economic development and civic engagement efforts 	<ul style="list-style-type: none"> Coordinate with other anchors through other networks / consortiums to understand resources used and shared Consider how the BIP can facilitate the sharing of information, sharing, resources, etc. among anchors to provide leverage across anchors* Start with resources like impact measurement, supplier ID, or training

* Denotes recommendations which public/state anchors can also consider

X RECOMMENDATIONS: SUPPLIER SUPPORT & DEVELOPMENT

		Findings	Challenges/Implications	Recommendations
What's Working	Delivery Performance Support	<ul style="list-style-type: none"> Nearly all anchors have some internal resources willing to provide ad hoc supplier support to smaller and local suppliers, helping them to navigate processes Support is provided on a sporadic and individual basis—and often based on preexisting relationships 	<ul style="list-style-type: none"> The lack of formal supplier support endangers the reputation of anchors and decreases the likelihood that suppliers will choose to work with them No clearly defined path for how to utilize external resources in day-to-date operations 	<ul style="list-style-type: none"> For suppliers considered immature or not at scale, ensure contract manager/user is tasked to provide feedback and guidance to these suppliers (e.g., as a coach)* Ensure that suppliers are provided specific feedback on contract performance based on service levels at regular intervals Coordinate actively between anchors to understand what supplier performance management tools / score cards are made available to suppliers*
	Supplier Development	<ul style="list-style-type: none"> The lack of a concerted supplier development effort prevents the creation of a viable pool of suppliers with which anchors can build relationships and have a local impact 	<ul style="list-style-type: none"> Limited supplier capacity in target areas is real; therefore, focusing hyper locally is difficult Local non-profit organizations and TA providers are not strategically leveraged in procurement discussions 	<ul style="list-style-type: none"> Develop latent resources to guide small suppliers through bidding / onboarding process* (e.g., process guides, preferred submission information, timelines, 'what to expect') Consider hosting joint or shared 'working with anchors' sessions in which anchor buyers share what they look for, and what challenges suppliers can and should anticipate* Consider the value-add of having a city-wide effort to coordinate cross anchor efforts*

* Denotes recommendations which public/state anchors can also consider

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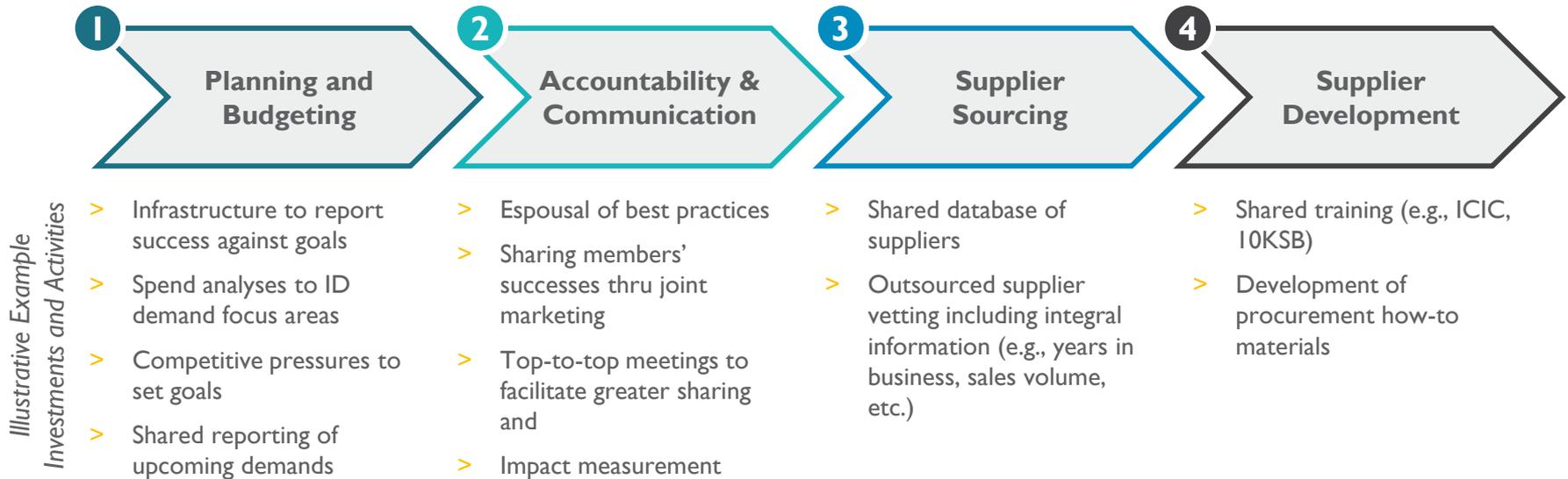
The Case for Creating Leverage across Anchors

Next Steps

X CREATING LEVERAGE ACROSS ANCHORS

In order to improve an individual anchor's ability to create impact, investments are needed in resources, staffing, etc. Anchors have an opportunity to create leverage for each other by sharing resources, investments, and ownership and drive collective impact.

Drivers of Anchor Procurement



X ILLUSTRATIVE EXAMPLES OF CROSS-ANCHOR VALUE CREATION

1	Illustrative Example	Challenges	Solution
Shared supplier list or database	Static information on suppliers	Build hosted database to which new suppliers can be added at regular intervals	
	No data on capacity/ability	Develop joint understanding of capacity to vet suppliers	
	Insular within only incumbent supplier	Direct all anchors' suppliers (and new suppliers to join)	

2	Illustrative Example	Challenges	Solution
Targeted matchmaking services	No sense of historical data or upcoming purchasing opportunities	Collect and share contracts with representative(s) of BIP who can recommend vendors for BID lists, connect anchors with similar needs, and hold targeted pitch sessions based on upcoming demand	
	Varying BID Processes, Requirements and Channels to Market to Businesses	Centralized representative(s) at a convening organization who has relationships with buyers at all institutions and can easily cross-reference contract opportunities	

X ILLUSTRATIVE EXAMPLES OF CROSS-ANCHOR VALUE CREATION (CONT.)

3	Illustrative Example	Challenges	Solution
Aggregate Shared Demand Opportunities	Limited sense of collective demand	Conduct analysis of spend and contracts within targeted, categories, in which pooling demand could create benefits like economies of scale (laundry, courier, distribution, call center, etc.)	
	Limited sense of shared pain points	Convene targeted sessions of small groups interested in discussing non critical needs within commodity areas or services they would like to see done better	
	Few conversations or due diligence around whether a collective, local purchasing could add value	Connect shared demand with local incubators, accelerators, entrepreneurs and workforce development groups that can solve problems, recruit and grow businesses.	

X MAPPING WHAT'S NEEDED: PAST & CURRENT 'BIP' ACTIVITIES

The BIP has already started to create leverage for participating anchors through a range of activities; today, the BIP is at an inflection point allowing the collective to consider if its activities are the right ones to be advancing, as well as if the BIP is the right agent to do so.

Past & Current Activities

Roles Played	Past & Current Activities				
Initiative lead Design, manage, and execute	M/WBE Food Vendor Fair	M/WBE Database	Advocate for Importance of Local Anchor ED	Fundraising for BIP	Accountability Reinforcement
Collaborator Co-design and engage quality partners	Policy Advocacy / Legislation	HCPI Develop. Fund	UC Denver Gap Analysis		
Funder Financial commitment to bring to reality	Workforce Training Fund	MICA BASE Initiative	Procurement Guidance Work		
Liaison "Front-door" role for resources	Sharing about Other Fairs	Connection to TRF / CDFIs	Coordination with Baltimore City Anchor Plan (BCAP)	Sharing Capacity Building	Outreach / Engagement
Convener Enable open, regular, transparent dialogue	BIP Anchor Recruitment	Steering Committees			

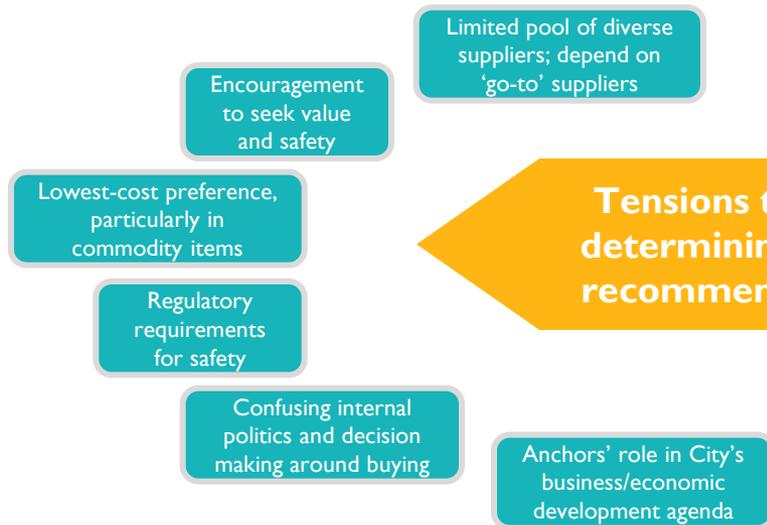
Sourced from Next Street's Framework for Anchor Roles in Economic Development

X BALANCING BOTH SIDES TO THE STORY

Although all participating anchors have made an intentional commitment to community engagement and economic development through their participation in BIP, we also acknowledge that these activities must be rooted in the economic wellbeing and strength of the institution.

From the anchor's point of view

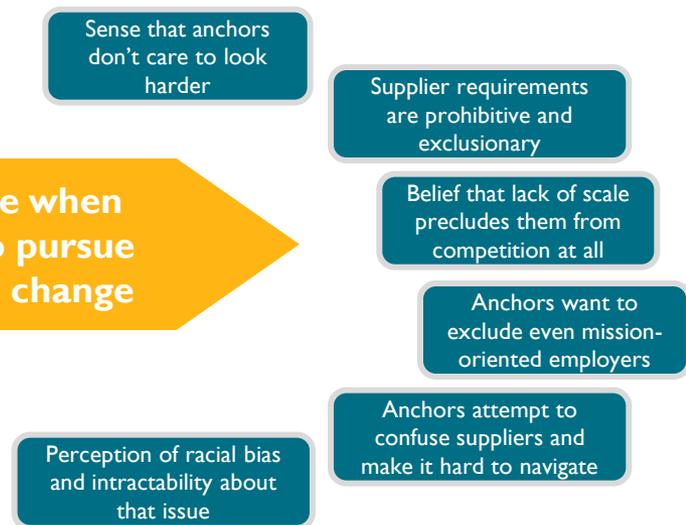
- > Anchor buyers typically believe that there are simply not enough diverse suppliers out there, and few have ideas of other channels to tap into to change that



- > Anchors are often under regulatory or cost-management goals to lever procurement as a way to find cost savings; making them sensitive to price, scale, and convenience

From the local supplier's point of view

- > Suppliers see anchors as unwilling to make it easier to work for them, even though suppliers really want to, because of prohibitive payment terms and requirements



- > Suppliers see anchors as being hard to 'get in with' while others see anchors tapping the same suppliers repeatedly

X AGENDA

Objectives

Project Overview

Findings & Recommendations

The Case for Creating Leverage across Anchors

Next Steps

X NEXT STEPS

- > Recognizing the challenges that anchor institutions face in dedicating incremental resources and funding to the achievement of impact, we recommend that there be **ongoing, active discussion to determine what resources should be created and shared**, including grappling with tough questions that are inexorably tied to the usefulness of this work

- > With this in mind, we have **identified four methods for driving forward the discussion** around potential roles / responsibilities for the BIP, individual anchors, and the City to play in driving progress forward:
 1. **BIP Board Retreat in 2017:** Focus on findings from 2 Reports (UC Denver/Next Street)
 2. **BIP Purchasing Workgroup:** Review and prioritize cross anchor opportunities
 3. **Anchors:** Find ways to act on individual barriers; accelerate work; communicate challenges and
 4. **Discussion Questions for all to consider:**
 - What are the primary barriers preventing anchors from reaching outcomes? What are the greatest needs / gaps in terms of resources?
 - If and how this type of role makes sense related to BIP's aspirations?
 - What are the costs of taking on another role? Is BIP best positioned to espouse these results?
 - What is the organizational design and needs that would support these roles?
 - How will it measure success? What accountability will be needed to actually move the needle?
 - What will be required of the BIP and its individual anchors to be able to inform the City's agenda around small / local / MWBE business development?

- > Following this approach, the consultant team hopes that this **work will continue to be actionable, reasonable, and impactful** over the longer term