



Diverse suppliers a key part of Kansas City Fed purchasing strategy

by:

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Creating an inclusive business environment matters to our work in the community development team. So how is that reflected in the way the Federal Reserve Bank of Kansas City spends its money? The Kansas City Fed releases its annual report from the [Office of Minority and Women Inclusion \(OMWI\)](#) to Congress to highlight the Bank's commitment to diversity in its people, procurement and partnerships. In 2020, diverse suppliers were awarded 115 of the Bank's contracts, resulting in spending of \$12.5 million. Diverse suppliers accounted for 17% of the Bank's total reportable spend.

We wanted to know more about how that happens and what it means for the businesses we serve. Community Connections met with Alexandria Caldwell, supplier management coordinator in the People and Strategy Division, to discuss how the Kansas City Fed assures supplier diversity and what that means for diverse business owners in the Tenth District.

Community Connections: Your role is new for the bank, correct? What does it include?

Caldwell: That's correct. The role was created in 2020 to focus on expanding the Bank's supplier diversity efforts. Through my role, I have an opportunity to collaborate with internal and external stakeholders on supplier diversity topics.

Community Connections: The Kansas City Fed is a large organization and we purchase many goods and services. When you think about the way we purchase, how important is it to buy from diverse suppliers?

Caldwell: It's very important! The procurement function oversees the acquisition of a wide range of goods and services, from building maintenance to software. This variety presents an opportunity for diverse suppliers to be included in procurement bids.

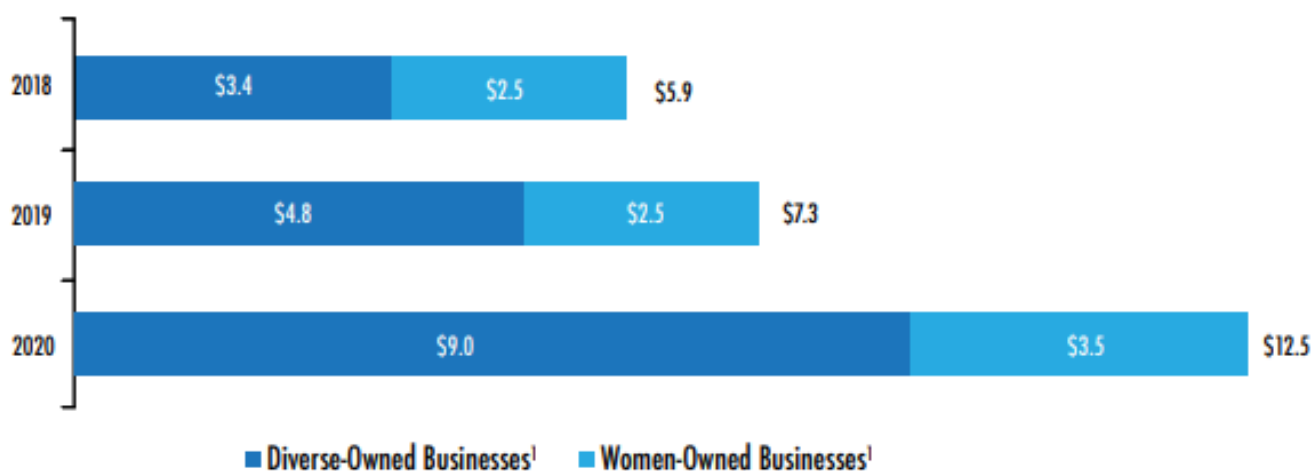
Also, our partnership with external organizations is crucial to aligning suppliers to bid opportunities. We strategically work with our partners to engage diverse suppliers and understand their capabilities.

Community Connections: In 2020, the Bank spent \$12.5 million with diverse suppliers. It was a \$5.2 million jump from the previous year. What factors contributed to that?

Caldwell: The Bank focuses on increasing both Tier 1 and Tier 2 diverse spend. Tier 1 suppliers are companies the Bank does business with directly, and Tier 2 suppliers are those that the Bank's Tier 1 suppliers purchase from in support of Bank business. In 2020, the Bank had significant growth in its Tier 1 diverse spend. About 41% of the Bank's total diverse spend included purchases of hardware and another 36% was spent on facilities-related purchases.

2018-20 SPEND WITH DIVERSE SUPPLIERS

(Dollars in Millions)



¹Diverse women-owned business spend is captured in spend with diverse-owned businesses and is not double counted in women-owned business spend.

Community Connections: During the pandemic, what strategies did you use to support the Bank's supplier diversity efforts?

Caldwell: The Bank focused on vendor outreach and providing suppliers with tools and resources. We strategically participated in national and regional events to engage diverse suppliers. For example, in 2020, the Bank partnered with the Asian American Chamber of Commerce of Kansas City to host "Doing Business with the Bank." The webinar provided insight to diverse suppliers on how to do business with us. The event promoted networking, learning and a chance to strengthen our current partnership.

Community Connections: The Bank implemented a new procurement software, Ariba, in 2020. Ariba provides sourcing and contracting functionality. How does the new system affect suppliers?

Caldwell: The new procurement software is part of a larger effort to implement a new Enterprise Resource Planning (ERP) platform for the Federal Reserve System. When fully implemented, Ariba will provide source-to-contract and buy-to-pay functionality. The new ERP will provide an improved user experience for the Bank's suppliers, including an intuitive online portal where suppliers can update their profile information, respond to bid opportunities, review open orders, and check on the payment status of their invoices.

Community Connections: Looking ahead, what is the future of supplier diversity at the Kansas City Fed?

Caldwell: The supplier diversity program will continue to grow. We'll continue to be intentional and targeted about vendor outreach and partnering with organizations to meet our goals. It's also important we provide tools and education to Bank employees to further their knowledge about supplier diversity. We recognize we made strides in 2020, and we're committed to continue producing successful results in the future.

For more information about the [supplier diversity program](#), contact Alexandria Caldwell, supplier management coordinator, Federal Reserve Bank of Kansas City, at alexandria.caldwell@kc.frb.org.

Media



Alexandria Caldwell