

# Diversity and Inclusion in Procurement



Bridget McHatton-Chief Procurement Officer  
for Public Institutions of Higher Education

# Procurement Resources

- ▶ Illinois Procurement Code

- ▶ 30 ILCS 500

- ▶ <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=532&ChapterID=7>

- ▶ Standard Procurement Rules

- ▶ 44 Illinois Administrative Code 4

- ▶ <https://www.ilga.gov/commission/jcar/admincode/044/04400004sections.html>

- ▶ Business Enterprise for Minorities, Females, and Persons with Disabilities Act

- ▶ 30 ILCS 575

- ▶ <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=550&ChapterID=7>

- ▶ Governmental Joint Purchasing Act

- ▶ 30 ILCS 525

- ▶ <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=537&ChapterID=7>

# Welcome to the Chief Procurement Office for Institutions of Higher Education Diversity and Inclusion Training

The State of Illinois and the Chief Procurement Office for Institutions of Higher Education are dedicated to working with diverse and inclusive groups of vendors through the state procurement process. Understanding how that happens is an important part of the role you play in the process as well. As mandated in **30 ILCS 500/50-85**, "Each chief procurement officer, State purchasing officer, procurement compliance monitor, applicable support staff of each chief procurement officer, State agency purchasing and contracting staff, those identified under subsection (c) of section 5-45 of the State Officials and Employees Ethics Act who have the authority to participate personally and substantially in the award of State contracts and any other State agency staff with substantial procurement and contracting responsibilities..." will be required to take and successfully complete this training.

# Learning Objectives

- ▶ The Business Enterprise Program
  - BEP Goal Waiver Request Form
  - Emergency procurements
  - Governmental Joint Purchasing Act
- ▶ The commitment to diversity evaluation factor
  - Legislation
  - Evaluation factors
  - Program documents and resources
- ▶ Unconscious bias and procurement
  - What is unconscious bias
  - Limiting language or standards

# State Procurement and the Business Enterprise Program

# The Business Enterprise Program

## **What is the Business Enterprise Program?**

The law declares that it is the public policy of the State of Illinois to promote and encourage the continuing economic development of minority and female owned and operated businesses, and that minority and female owned and operated businesses participate in the State's procurement process as both prime and subcontractors. 30 ILCS 575

# BEP Goal Waiver Request Form

No vendor shall be eligible for renewal of a contract when that vendor has failed to meet the goals agreed to in the vendor's utilization plan, as defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, unless the State agency or public institution of higher education has determined that the vendor made good faith efforts toward meeting the contract goals. If the State agency or public institution of higher education determines that the vendor made good faith efforts, the agency or public institution of higher education may issue a waiver after concurrence by the chief procurement officer, which shall not be unreasonably withheld or impair a State agency determination to execute the renewal.

## BEP Goal Waiver Request Form (continued)

The form and content of the waiver shall be prescribed by each chief procurement officer but shall not impair a State agency or public institution of higher education, determination to execute the renewal. The chief procurement officer shall post the completed form on his or her official website within 5 business days after receipt from the State agency or public institution of higher education. The chief procurement officer shall maintain on his or her official website a database of waivers granted under this Section with respect to contracts under his or her jurisdiction. The database shall be updated periodically and shall be searchable by contractor name and by contracting State agency or public institution of higher education. 30 ILCS 500/20-60 (f)



# Things to Remember....

- ▶ 30 ILCS 575/8i(d) requires universities to review renewals **at least 6 months prior** to the renewal date to determine if the contract goal is being met by the prime contractor
- ▶ review renewals to determine if the contract goal should be adjusted based upon market conditions and availability of confirmed firms
- ▶ prime contractors are encouraged to notify the university **as soon as they are aware** they are not meeting the BEP goal
- ▶ even if there had been no goal set for the previous contract term, it is required that the procurement be reviewed at renewal for the possible **addition of a goal**

# CPO-HE Goal Waiver Request Form



## BEP Goal Waiver Request Form

Chief Procurement Officer (CPO): John Donato

### Section 1: General Information

#### University

Project Title: \_\_\_\_\_ Bulletin Reference Number: \_\_\_\_\_  
 University Name: \_\_\_\_\_ University Point of Contact (POC): \_\_\_\_\_  
 Univ. POC Email: \_\_\_\_\_ University POC Phone Number: \_\_\_\_\_

#### Vendor

Vendor Name: \_\_\_\_\_ Vendor Point of Contact (POC): \_\_\_\_\_  
 Vendor City: \_\_\_\_\_ Vendor State: \_\_\_\_\_

### Section 2: Waiver Information

- Initial Award (Complete "Initial Award" Subsection 2.1 below and then skip to Section 3)  
 Renewal\* (Skip "Initial Award" Subsection 2.1 below, and proceed to "Renewal" Subsection 2.2)

\* No vendor shall be eligible for renewal of a contract when that vendor has failed to meet the goals agreed to in the vendor's utilization plan unless the public institution of higher education has determined that the vendor made good faith efforts toward meeting the contract goals and has issued a waiver or that vendor is otherwise excused from compliance by the chief procurement officer in consultation with the public institution of higher education. The form and content of the waiver shall be prescribed by each chief procurement officer who shall maintain on his or her official website a database of waivers granted under this Section with respect to contracts under his or her jurisdiction (30 ILCS 500/20-60(f)).

#### Subsection 2.1: Initial Award (complete only if "Initial Award" is selected in Section 2 above - otherwise, skip to Subsection 2.2)

Initial Term Start Date: \_\_\_\_\_ Initial Term End Date: \_\_\_\_\_  
 Initial Term Amount: \_\_\_\_\_ BEP Goal % on Original Solicitation: \_\_\_\_\_  
 BEP Goal % on Initial Award: \_\_\_\_\_ \$ Amount of BEP Goal on Initial Award: \_\_\_\_\_

Brief description of goods/services to be provided. Attach additional documentation if necessary.

\_\_\_\_\_

Provide a justification for waiver of the BEP goal. Attach additional documentation if necessary.

\_\_\_\_\_

Chief Procurement Officer for Higher Education

- Vendor requests a BEP waiver, in its entirety, to the aspirational goal identified in this solicitation, but has made a Good Faith Effort towards meeting the goal. Vendor's Utilization Plan is being included as supporting documentation.  
 Vendor cannot fully meet the established BEP goal for this solicitation, but has made a Good Faith Effort toward meeting the goal and requested a waiver or reduction of the goal to \_\_\_\_\_ % based on the completed Good Faith Effort. Vendor's completed Utilization Plan is being included as supporting documentation.

#### Section 2.2: Renewal (Complete only if "Renewal" is selected in Section 2 above - otherwise, skip to Section 3)

Provide the following information for the initial term for this procurement as well as the information for the renewal for which this BEP Waiver is being requested:

#### Initial

Initial Term Start Date: \_\_\_\_\_ Initial Term End Date: \_\_\_\_\_  
 Initial Term Amount: \_\_\_\_\_ BEP Goal % on Original Solicitation: \_\_\_\_\_  
 BEP Goal % on Initial Award: \_\_\_\_\_ \$ Amount of BEP Goal on Initial Award: \_\_\_\_\_

#### Renewal

Renewal # \_\_\_\_\_ of \_\_\_\_\_ Renewal Term Start Date: \_\_\_\_\_ Renewal Term End Date: \_\_\_\_\_  
 Prior BEP Waivers Granted for this Procurement?  Yes  No  
 If this waiver is granted, the revised BEP Goal will be: \_\_\_\_\_ Total Renewal Amount: \_\_\_\_\_

Provide a justification for waiver of the BEP goal. Attach additional documentation if necessary.

\_\_\_\_\_

Provide a brief description of the goods/services to be provided. Attach additional documentation if necessary.

\_\_\_\_\_

- Vendor has not met its BEP goal commitment, in its entirety, but has made a Good Faith Effort towards meeting the goal and has requested a waiver.  
 Vendor has not fully met its BEP goal commitment, but has made a Good Faith Effort towards meeting the goal and has waiver or reduction of the goal to \_\_\_\_\_ % based on its Good Faith Effort.

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Chief Procurement Officer for Higher Education  
 BEP Goal Waiver Request Form Ver. 23.1

### Section 3: Approval

#### University

I attest that I have reviewed the contents of this BEP Waiver Form and know and understand its contents. I further attest that the statements contained in this Form are true and correct.

University President or Director of Purchasing (or equivalent position) Signature: \_\_\_\_\_ University President or Director of Purchasing (or equivalent position) Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

#### Chief Procurement Officer (\*Applies ONLY when "Renewal" is selected in Section 2 above\*)

- I concur.  
 I do not concur.

Comments: \_\_\_\_\_

Chief Procurement Officer Signature: \_\_\_\_\_ Chief Procurement Officer Printed Name: \_\_\_\_\_ Date Field: \_\_\_\_\_

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Chief Procurement Officer for Higher Education  
 BEP Goal Waiver Request Form Version 23.1

Please remember to check the website for the most up-to-date form.

<https://cpo-highered.illinois.gov/forms.html>

# BEP Goal Waiver Request Form

Is submitted by the university when the university wants to renew a contract in which the BEP goal is not being met. In the BEP Goal Waiver Request Form, the university presents information detailing that the contractor made a good faith effort to meet the goal.

The CPO reviews and either concurs or does not concur

# Why would a BEP Goal Waiver Request Form be needed?

- ▶ If there was a goal set for the current term of the contract and that goal will not be met by the subcontractor(s), the prime contractor must demonstrate it did everything possible to meet the established BEP goal.
- ▶ If the prime contractor cannot meet the goal before the end of the term, the university must complete the BEP Goal Waiver Request Form referenced in CPO Notice 2022.03



# Things to Remember....

- ▶ The more specific the information provided in the waiver, the better.
  - ▶ Why has the goal not been met?
  - ▶ What steps has the prime contractor taken to support the subcontractor in fulfilling their goal?
  - ▶ Has the prime contractor involved the university to provide support in a timely manner?
- ▶ The BEP Goal Waiver Request Form is an evaluation of what has been completed to meet the goal up until the point of evaluation. What might be accomplished before the term end, or **intended solutions**, should not be included on the waiver.
- ▶ If the State agency or public institution of higher education determines that the vendor made good faith efforts, the agency or public institution of higher education may issue a waiver after concurrence by the chief procurement officer, which shall not be unreasonably withheld or impair a State agency or public institution of higher education determination to execute the renewal. 30 ILCS 500/20-60(f)
- ▶ A copy of the granted or denied waiver is posted to CPO website (<https://cpo-highered.illinois.gov/publications-reports.html>)

# TEST YOUR KNOWLEDGE

# BEP Goal Waiver Request Form

How many months prior to renewal must a university review the BEP goal process?

- ▶ 3 months
- ▶ 1 month
- ▶ 6 months
- ▶ 2 months

**The correct answer is 6 months.**

**Universities and prime contractors must review a procurement BEP goal progress at least six months prior to contract renewal.**



# Emergency Procurements

# Emergency Procurements

Pursuant to the Illinois Procurement Code, a university may make emergency procurements without competitive sealed bidding or prior notice when...

- **there exists a threat to public health or public safety;**
- **immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State property;**
- **there is a need to prevent or minimize serious disruption and critical State services that affect health, safety, or collection of substantial state revenues;**
- **to ensure the integrity of State records;**
- **the term of emergency purchase shall be limited to the time reasonably needed for a competitive procurement, not to exceed 90 calendar days (30 ILCS 500/20-30)**

# Does the BEP goal fit into an emergency procurement?

Yes, according to the Illinois Procurement code [30 ILCS 500/20-30a](#)

Emergency procurements shall be made with as much competition as is practicable under the circumstances, and universities shall use best efforts to include contractors certified under the Business Enterprise Program in the university's emergency procurement process. A written description of the basis for the emergency and reasons for the selection of the particular contractor shall be included in the contract file.

Using “best efforts” means that each emergency procurement needs to be reviewed and evaluated by the university to determine if adding a BEP goal is feasible based on the specifics of the procurement.

# How can my university use the best efforts to include BEP subcontractor in emergency procurements?

Use BEP registered vendors for as many services as possible when initiating the emergency procurement.

Encourage the use of any currently contracted BEP subcontractor in the emergency procurement.

Identify additional services needed that can be fulfilled by BEP subcontractors i.e., transportation, skill specific work, or administrative oversight.

Supply prime vendors with a list of qualified BEP subcontractors available to fulfill contract requirements.

# TEST YOUR KNOWLEDGE

# Emergency procurements

An emergency procurement is required to have a BEP goal assigned?

- True
- False

The correct answer is false.

On an emergency procurement, a BEP goal is not required to be assigned.

# Emergency procurements

Which of the following is not a statutory reason to initiate an emergency procurement?

- a to purchase “Illinois dogs are the best dogs” T-shirts
- to prevent threat to public health or safety
- a disruption in critical services
- to ensure the integrity of State records



The correct answer is to purchase “Illinois dogs are the best dogs” T-shirts

Purchasing T-shirts does not meet any of the statutory standards for an emergency procurement.

# BEP and the Governmental Joint Purchasing Act

30 ILCS 525/3 When the State of Illinois is a party to the joint purchase agreement pursuant to subsection (a) of Section 2, the acceptance of responses to the competitive procurement process shall be in accordance with the Illinois Procurement Code and CPO-Public Institutions of Higher Education Standard Procurement Rules (44 Illinois Administrative Code 4 Part 4.5400) promulgated under that Code. When the State of Illinois is not a party to the joint purchase agreement, the acceptance of responses to the competitive procurement process shall be governed by the agreement.

The Chief Procurement Officer for Institutions of Higher Education administers a Joint and Cooperative Purchasing program

# Diversity and the Governmental Joint Purchasing Act

## **(30 ILCS 525) - Joint purchasing programs**

Each chief procurement officer may establish a joint purchasing program and a cooperative purchasing program. When the State of Illinois is a party to a joint purchase agreement pursuant to subsection (a-5) of Section 2, the State may act as the lead state or as a participant state. When the State of Illinois is the lead state, all such joint purchases shall be conducted in accordance with the Illinois Procurement Code. When the State of Illinois is the lead state, a multiple award is allowed. When Illinois is a participant state, all such joint purchases shall be conducted in accordance with the procurement laws of the lead state, provided that all such joint procurements must be by competitive solicitation process. The Chief Procurement Office for Higher Education has established a Joint and Cooperative Purchasing Program called ICOP: Illinois Cooperative Opportunities Program.

<https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=537&ChapterID=7>

# Diversity and the Governmental Joint Purchasing Act

## When does BEP apply?

When the State is the Lead Entity in a Joint or Cooperative purchase, purchases shall be conducted in accordance with the Illinois Procurement Code, which includes BEP goals. When the State is a Participant in a Joint Purchase, adopting a Group Purchasing Organization's award, or Piggyback, purchases shall be conducted in accordance with the procurement laws of the Lead State. The Lead State may or may not have Diversity (BEP) goals. If no BEP goals have been established, the State will advise awarded vendors of Illinois BEP goals and extend every effort to achieve as much BEP participation as practicable.

# The Commitment to Diversity Evaluation Factors

# The Commitment to Diversity Evaluation Factors

The Commitment to Diversity Evaluation Factors are included in the Request for Proposal (RFP) template and the Professional and Artistic Services (P&A) RFP template.

# CPO-HE RFP Template

## Commitment to Diversity

**7 Commitment to Diversity**

**7.1 Instructions**

An Offeror responding to a Request for Proposal must show a demonstrated Commitment to Diversity and return the information requested within this section with their offer. Please read this entire section and provide the requested information as applicable and per the instructions.

**Section 7 must be completed and signed. Section 7 and all supporting documentation must be included in Packet 7.**

Please note that when the solicitation has a BEP goal, completion and submission of the Utilization Plan in section 3, is a separate requirement from the completion of this section.

**7.2 Commitment to Diversity Elements**

Provide responses and indicate whether the elements are met by checking the boxes.

On the solicitation being evaluated, Offeror met the goal of contracting or subcontracting with businesses owned by women, minorities, or persons with disabilities (inapplicable if there is no goal on the solicitation).

On the solicitation being evaluated, Offeror assisted businesses owned by women, minorities, or persons with disabilities in obtaining lines of credit, insurance, necessary equipment, supplies, materials, or related assistance or services.

Vendor Name:	
Vendor Name:	
Vendor Name:	

Percentage of prior year revenues of the Offeror that involve businesses owned by women, minorities, or persons with disabilities. That percentage is indicated below.

Offeror has a written supplier diversity program, including, but not limited to, use of diverse vendors in the supply chain. Offeror must include its written supplier diversity program in Packet 7.

Offeror has a training or mentoring program with businesses owned by women, minorities, or persons with disabilities. Offeror must include details of the training or mentoring program in Packet 7.

Percentage of members of the Offeror's governing board, senior executives, and managers who are women, minorities, or persons with disabilities. This percentage is listed below. Additional documentation is included in Packet 7.

Offeror has demonstrated commitment to diversity through its participation in community-based diversity programs within the past year. Please describe below. Additional documentation is included in Packet 7.

**7.3 Signature**

The undersigned certifies that the statements set forth in this document are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he or she verily believes the same to be true.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

# CPO-HE RFP Template

## Commitment to Diversity (continued)

**1.17 Evaluation:** Proposals shall be submitted in 3 parts: Responsiveness, Commitment to Diversity, and Price.

Each part of all proposals shall be evaluated and ranked independently of the other parts of all proposals. The results of the evaluation of all 3 parts shall be used in ranking of proposals. 30 ILCS 500/20-15.

The University will consider the information provided in the response and the quality of that information when evaluating responses. If the University finds a failure or deficiency, the University may reject the response or reflect the failure or deficiency in the evaluation, as appropriate.

The University will determine how well responses meet the Responsiveness and Commitment to Diversity requirements. They will rank responses, without consideration of Price, from best to least qualified using a point ranking system (unless otherwise specified) as an aid in conducting the evaluation.

Vendors who fail to meet minimum requirements or who do not receive **<minimum # points>** of the total Responsiveness points will not be considered for Commitment to Diversity evaluation, Price evaluation and award.

If no minimum points are reflected, then all three categories (Responsiveness, Commitment to Diversity and Price) will be evaluated accordingly.

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V.24.1

The maximum number of points possible is **<#maximum points>**

**(Responsiveness <#pts> + Commitment to Diversity <#pts> + Price <#pts>)**



# CPO-HE RFP Template

## Commitment to Diversity (continued)

**1.17.2 Commitment to Diversity:** 30 ILCS 500/20-15 requires Offerors to show a demonstrated commitment to diversity and requires the allotment of points for Commitment to Diversity. Commitment to Diversity shall account for 20% of the points assigned to the technical part (excluding price). The chart below shows the Commitment to Diversity elements and the maximum number of points available for each element. The total number of points available for Commitment to Diversity is **<#points>**.

The University will evaluate the information provided in the Offeror's response to Commitment to Diversity (Section 7.2) and the quality of that information based on the elements below.



Commitment to Diversity Elements	Maximum # of Possible Points
Whether or how well the Offeror, on the solicitation being evaluated, met the goal of contracting or subcontracting with businesses owned by women, minorities, or persons with disabilities (inapplicable if there is no goal on the solicitation).	
Whether the Offeror, on the solicitation being evaluated, assisted businesses owned by women, minorities, or persons with disabilities in obtaining lines of credit, insurance, necessary equipment, supplies, materials, or related assistance or services.	
Percentage of prior year revenues of the Offeror that involve businesses owned by women, minorities, or persons with disabilities.	
Whether Offeror has a written supplier diversity program, including, but not limited to, use of diverse vendors in the supply chain.	

Whether Offeror has a training or mentoring program with businesses owned by women, minorities, or persons with disabilities.	
Percentage of members of the Offeror's governing board, senior executives, and managers who are women, minorities, or persons with disabilities.	
Whether Offeror has demonstrated commitment to diversity through its participation in community-based diversity programs within the past year.	

<https://cpo-highered.illinois.gov/forms.html>

# Definition of Terms: 30 ILCS 575/2

**"Minority person"** shall mean a person who is a citizen or lawful permanent resident of the United States and who is any of the following:

- (a) American Indian or Alaska Native (a person having origins in any of the original peoples of North and South America, including Central America, and who maintains tribal affiliation or community attachment).
- (b) Asian (a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, but not limited to, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam).
- (c) Black or African American (a person having origins in any of the black racial groups of Africa).
- (d) Hispanic or Latino (a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race).
- (e) Native Hawaiian or Other Pacific Islander (a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands).

# Definition of Terms: 30 ILCS 575/2 (continued)

**“Woman”** - a person who is a citizen or lawful permanent resident of the United States and who is of the female gender

**“Persons with disabilities”** - means a person with a severe physical or mental disability that (a) results from: amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, Crohn's disease, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, an intellectual disability, mental illness, multiple sclerosis, muscular dystrophy, musculoskeletal disorders, neurological disorders, including stroke and epilepsy, paraplegia, quadriplegia and other spinal cord conditions, sickle cell anemia, ulcerative colitis, specific learning disabilities, or end stage renal failure disease; and (b) substantially limits one or more of the person's major life activities.

Another disability or combination of disabilities may also be considered as a severe disability for the purposes of item (a) of this subdivision (2.1) if it is determined by an evaluation of rehabilitation potential to cause a comparable degree of substantial functional limitation similar to the specific list of disabilities listed in item (a) of this subdivision (2.1).

# Definition of Terms: 30 ILCS 575/2 (continued)

**"Minority-owned business"** means a business which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it.

**"Women-owned business"** means a business which is at least 51% owned by one or more women, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more women; and the management and daily business operations of which are controlled by one or more of the women who own it.

**"Business owned by a person with a disability"** means a business that is at least 51% owned by one or more persons with a disability and the management and daily business operations of which are controlled by one or more of the persons with disabilities who own it. A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a "business owned by a person with a disability".

# Diversity and Inclusion in Procurement

With the creation of the commitment to diversity evaluation factor the chief procurement officers were given the responsibility of promoting diversity, equity, and inclusion in the procurement process. Section 30 ILCS 500/20-15 of the Illinois Procurement Code requires vendors to submit information when responding to request for proposals and request for Professional and Artistic proposals (P&As), demonstrating their commitment to diversity within these six categories:

- whether or how well the offeror, on the solicitation being evaluated, met the goal of contracting or subcontracting with businesses owned by women, minorities, or persons with disabilities;
- whether the offeror, on the solicitation being evaluated, assisted businesses owned by women, minorities, or persons with disabilities in obtaining lines of credit, insurance, necessary equipment, supplies, materials, or related assistance or services;
- the percentage of prior year revenues of the offeror that involve businesses owned by women, minorities, or persons with disabilities;

# Diversity and Inclusion in Procurement (continued)

- whether the offeror has a written supplier diversity program, including, but not limited to, use of diverse vendors in the supply chain and a training or mentoring program with businesses owned by women, minorities, or persons with disabilities;
- the percentage of members of the offerors governing board, senior executives, and managers who are women, minorities, or persons with disabilities;
- whether Offerors has demonstrated commitment to diversity through its participation in community-based diversity programs within the past year.

# Unconscious Bias and Procurement

# Unconscious Bias in Procurement



## What is unconscious bias?

Unconscious bias, or implicit bias, refers to the automatic associations and reactions that arise when we encounter a person or group. They are social stereotypes about certain groups of people that individuals form outside their own conscious awareness.

Everyone holds unconscious beliefs about various social and identity groups, and these biases stem from one's tendency to organize social worlds by categorizing.



# Unconscious Bias in Procurement

It is important to note that biases, conscious or unconscious, are not limited to ethnicity and race. Though racial bias and discrimination are well documented, biases may exist toward any social group. One's age, gender, gender identity, physical abilities, religion, sexual orientation, weight, and many other characteristics are subject to bias.

# TYPES OF UNCONCIOUS BIAS



## Affinity Bias

Feeling a connection to those similar to us



## Perception Bias

Stereotypes and assumptions about different groups



## Halo Effect

Projecting positive qualities onto people without actually knowing them



## Confirmation Bias

Looking to confirm our own opinions and pre-existing ideas.

Caccavale, J. (2019, August 27). *Cons of Unconscious Bias Training*. Retrieved from <https://www.beapplied.com/post/why-unconscious-bias-training-does-not-work>.

# What does this have to do with procurement?

In the world of supplier diversity and inclusion, bias significantly inhibits progress towards the equality in the supply chain, and often, unconscious bias can be found in the way that IFBs or RFPs are written, reviewed, or evaluated. Procurement professionals must be aware of what to keep an eye out for in order to avoid bias.

# Confirmation bias

The most common type of evaluation bias is confirmation bias. This is the tendency to search for, interpret, favor and recall information in a way that confirms or supports one's prior beliefs or values.

Example: Two vendors have submitted bids on a procurement for HVAC work to be done for an agency. One vendor is a business owned by a man, and the other is owned by a woman. When an evaluator reviews the information, confirmation bias can cause the female vendor to be scored lower because the evaluator read an article online claiming that women are less skilled than men in any type of trades work.



# Perception bias

Next is perception bias, which occurs when we subconsciously form assumptions or draw conclusions based on our beliefs, expectations, or emotions. Perception bias works like a filter, helping us make sense of all the information we are exposed to in our surroundings. As a result, our perception of reality is often distorted. This can cause us to unfairly label people or make inferences about their abilities based on superficial observations or stereotypes.

Example: While evaluating a group of offers for a state agency or public institution of higher education, an evaluator notices that one of the companies that has submitted an offer is owned by a very wealthy local businessman. The evaluator has a perception bias against people who are wealthy based on articles they have read, and local news stories they have seen on TV about the wealth gap in their community. When evaluating the offer from this vendor's company, they intentionally give the vendor a lower score believing that the owner is already wealthy enough.



# Halo effect

The Halo effect is a form of unconscious bias that occurs when an initial positive judgment of a single trait of a person or event unconsciously colors the perception of the whole. That perception can then carry over to how the person or event are perceived, as a whole.

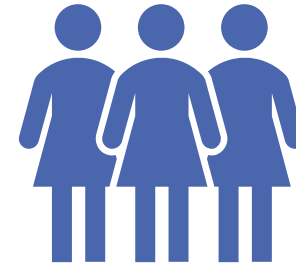
Example: While reviewing the commitment to diversity evaluation factor in a new RFP, the evaluator is impressed by one of the vendor submissions. The attachment is colorful, well written, and well organized. The evaluator flips through the submission, feeling confident that the vendor is the best choice for the job based on how well the proposal is put together. The evaluator gives the vendor the highest score without reading through the details. Their Halo effect bias has led the evaluator to assume that the content of the documentation is an indication of the level of work that the vendor will do.



# Affinity bias

Affinity bias is the tendency to search for, interpret, favor, and recall information in a way that confirms or supports one's prior beliefs or values. People display this bias when they select information that supports their views, ignoring contrary information, or when they interpret ambiguous evidence as supporting their existing attitudes.

Example: An agency is remodeling their building and have collected bids from vendors who would like to complete the work. One of the evaluators is reviewing a bid from ABC construction owned by John Smith. In the bid it mentions that John Smith graduated from the same college as the evaluator. Knowing this, the evaluator gives the bid the highest score, confident in the bidder's skills because they received the same level of education.



# TEST YOUR KNOWLEDGE



# Procurement and unconscious bias

Which bias is a stereotype in assumptions about a specific group?

- Affinity bias
- Perception Bias
- Halo Effect
- Confirmation Bias

The correct answer is **Perception Bias**.

Believing a stereotype or assumption about a certain group of people is a Perception Bias.

# Unconscious Bias and Procurement

Another way that unconscious bias can impact the procurement process is through limiting language or standards in the IFB or RFP itself. Here are some things to look out for, and avoid, to create a truly competitive procurement:

**Mandatories** - These limiters can have the greatest impact on a truly competitive procurement. Mandatories of any type i.e., time, materials, location, immediately exclude businesses that might otherwise be able to participate. Mandatories should be thoroughly evaluated and eliminated when not pivotal to the procurement.



# Unconscious Bias and Procurement

**Job/Skills** - Setting generalized and exaggerated standards for job skills or experience can be a limiter for vendors who are interested in being a prime contractor. When determining the appropriate standard for skills experience be specific and reasonable. Ask what is most important? The amount of experience, the relevance of that experience, or what the vendor has achieved through that experience? Then establish a standard that makes sense. 10 years of work experience for a basic set of skills or requiring that all the vendor's experience be related to only one specific product's software may be unnecessarily exclusionary.



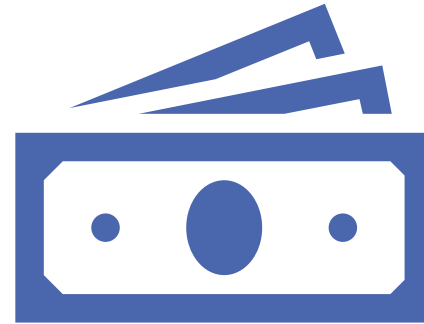
# Unconscious Bias and Procurement

**Bonding** - Although for some procurements bonding is statutory, not every procurement requires a bond. When it does, the state agency or public institution of higher education makes the determination on the bond amount, and any vendors interested in bidding on the procurement would need to be bonded for that amount. Requiring an unnecessary or excessive bond amount on a procurement can significantly limit a vendor's ability to bid.



# Unconscious Bias and Procurement

**Payment** - For many businesses, the timing of payments from the state can be the most limiting factor when bidding on contracts. Prompt payment of invoices can be the determining factor for smaller businesses, limiting their opportunities even if they are the best choice for the work that needs to be done. Ensuring that there are clear payment terms, that payments are made on time, and that there are avenues for clear communication helps to make the process more inclusive.



# TEST YOUR KNOWLEDGE

# Procurement & Unconscious Bias

Which of the following is not an example of limiting language in a procurement?

- The vendor must have 25 years' experience installing wire cable in a multi-level business building.
- Vendor's must employ staff who speak English as their first language.
- Vendor must employ a daytime porter between the hours of 8:00 a.m. to 5:00 p.m.
- Vendor must submit invoices on a quarterly basis to the state. Vendor's invoices can be paid at any time in the 12 months following invoice submission.



The correct answer is **Vendor's must employ a daytime porter between the hours of 8:00 a.m. to 5:00 p.m.**

Employing a daytime porter is a reasonable request and is not limiting in its language.

# Resources

Chief Procurement Office for Public Institutions of Higher Education

➤ <https://cpo-highered.illinois.gov/>

State of Illinois Commission on Equity & Inclusion

➤ <https://cei.illinois.gov/>

Illinois Department of Human Rights

➤ <https://dhr.illinois.gov/>

Please click the link below to complete the diversity training.

<https://forms.office.com/g/S5kALw5ArD>

CONGRATULATIONS!  
YOU HAVE COMPLETED THE REQUIRED STATE OF ILLINOIS  
DIVERSITY IN PROCUREMENT TRAINING.



Bridget McHatton-Chief Procurement Officer  
for Public Institutions of Higher Education

# Thank You!