



Multi-Tier Initiative Strategy

<i>Strategy Title</i>	Multi-Tier Initiative Strategy
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Purpose

The Multi-Tier (M-Tier) Initiative is The Company's commitment to introduce diverse and small firms to our Multi-Tier Participating Tier 1 Suppliers, whenever an opportunity for added value and contribution to the Company's bottom line exists. This strategy reflects an additional commitment and does not substitute for the Company's direct First Tier (Tier 1) efforts.

Scope

Any Supply Chain employee who conducts a competitive bidding event

Suppliers participating in the M-Tier initiative can include any supplier with:

- Revenues (from the Company) exceeding *five* million dollars.
or
- The Company contracts with any subcontracting activity.
or
- Error! Reference source not found.** contracts, having a contract value exceeding one million dollars.

Strategy

Implementing the Multi-Tier Initiative

- 1 Include M-Tier language in all competitive bidding requests (RFx) and contracts meeting the supplier criteria.
- 2 The Supply Chain Diversity Team (SCDT) and the Supply Chain leadership team select suppliers (meeting the supplier criteria) for participation in the Multi-Tier Initiative.
- 3 Include M-Tier Language in all new contracts meeting the supplier criteria and include in extended/amended contracts as appropriate.
- 4 Request voluntary participation for existing suppliers with contracts meeting the supplier criteria, but without M-Tier contract language.
- 5 For suppliers participating in the Multi-Tier Initiative, the Supply Chain Diversity team:
 - Works with participating suppliers and sourcing leads to develop an annual utilization plan that establishes objectives and timelines.
 - Encourages and makes possible active participation by the supplier in the Women's Business Enterprise National Council (WBENC) and National Minority Supplier Development Council (NMSDC), or their local affiliates, the National Veteran Owned Business Association (NaVOBA), the National Gay & Lesbian Chamber of Commerce (NGLCC), and Disability:IN.



- Measures and promotes goal as a vendor performance metric with these implications:
 - Success: Can be recognized through the Company Nexus Awards Program.
 - Failure to comply: Can result in diminished consideration on future bid opportunities or contract renegotiations.
- 6 The SCDT offers ongoing guidance to the participating supplier to encourage full participation in the Multi-Tier Initiative.
- 7 SCDT requests and receives annual & quarterly reports from M-Tier Initiative participants:
 - An Annual Utilization Plan reports at contract initiation and annually for the contract duration.
 - Quarterly Spend Reports on the fourth Thursday of each month after a calendar quarter's close (that is, April, July, October, and January).
 - i. Outreach report
 - ii. Spend report

Goal

- All competitive bidding requests for contracts meeting the supplier criteria *shall* include Multi-Tier language effective May 2016.
- All contracts in excess of \$5M *shall* contain Multi-Tier contract language unless exempt with documentation. A company is classified exempt if it has **(a)** no subcontracting and completely self-performs the work or **(b)** no diverse firm available effective May 2016.
- The SCDT produces quarterly reports listing diverse and small suppliers and *will* obtain the corresponding spend reports from each participant.

Note: For BPO, purchases exceeding \$25,000 require governance. Governances and quotes are retained for goal.