



FEDERAL RESERVE BANK *of* CLEVELAND

**Office of Minority
and Women Inclusion**

2012 Annual Report to Congress

OFFICE OF MINORITY AND WOMEN INCLUSION

**2012
Annual Report to Congress**

FEDERAL RESERVE BANK *of* CLEVELAND
David W. Hollis, Director

This document provides a Bankwide account of the actions of the Office of Minority and Women Inclusion during the year of 2012 with regard to the requirements under Section 342 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010.

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OFFICE OF MINORITY AND WOMEN INCLUSION

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MISSION

To foster the stability, integrity, and efficiency of
the nation's monetary, financial, and payments systems
to promote optimal economic performance

LETTER FROM THE OMWI DIRECTOR

The Federal Reserve Bank of Cleveland is pleased to provide its second Annual Report to Congress. In 2012, the requirements of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank) continued to be at the forefront of the Office of Minority and Women Inclusion’s (OMWI) body of work. We are refining our multi-year strategies, taking steps to execute those strategies, and identifying ways to measure our effectiveness over time, as we strengthen diversity and inclusion in the Bank’s work environment.

In fourth quarter 2012, the Bank completed an employee engagement survey, and the results are being shared throughout the organization. While there are opportunity areas that will be addressed during the coming year, the results revealed extremely strong workforce engagement for both women and minorities in all categories. This can be attributed to the Bank’s continued commitment and focus on diversity and inclusion. The survey results confirmed that the Bank’s efforts in building a more diverse and inclusive workforce are yielding positive outcomes and moving the organization in the right direction.

The 2012 Annual Report includes an executive summary, an overview of the Federal Reserve System, and speaks to the areas of diversity recruiting, supplier diversity, and financial literacy. An overview of the Federal Reserve Bank of Cleveland is also provided and describes the geographic region, internal stakeholder areas, and initiatives the Bank took in 2012 to enhance operational efficiency, strategic direction, and organizational effectiveness. Detailed information on the Bank’s minority and women employment, minority- and women-owned business inclusion, and financial literacy successes, challenges, and next steps appear in separate sections of the report.

Since the report contains a number of acronyms which reference internal and external departments, organizations and stakeholders, a list of acronyms is provided as an exhibit before the appendices.

It is my hope the information in this report provides the reader with a good sense of the Bank’s commitment to diversity and inclusion, and the progress that we continue to make.



David W. Hollis
Senior Vice President

VISION

To promote financial stability and prosperity
in our neighborhoods, region, and country



From left: Sandra Pianalto, President and Chief Executive Officer; David W. Hollis, OMWI Director; and Gregory L. Stefani, First Vice President and Chief Operating Officer

EXECUTIVE SUMMARY

The Federal Reserve Bank of Cleveland (Bank) continues to fulfill its responsibility to remain compliant with Section 342 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Section 342). The Bank’s coordinated and collaborative approach to increasing the level of attention to minority and women employment, minority- and women-owned business inclusion, and financial literacy has been critical to fulfilling the standards established in Section 342. Externally, the Bank has continued to be actively engaged with several community organizations, and internally, functional business lines are working together to achieve the Bank’s OMWI objectives.

External Engagement and Partnerships

To build on 2011 success, and deepen strategic alignment with diverse-based organizations, the Bank took steps to actively engage with several community organizations whose primary focus includes talent acquisition or supplier diversity. In 2012, the Bank joined Diversity Best Practices, an organization that provides resources for sharing best practices in the field of diversity, and remains engaged with the Diversity Professionals Group of Northeast Ohio. In addition, the Bank worked to strengthen and leverage existing partnerships with entities such as the Commission on Economic Inclusion, the Northeast Ohio Hispanic Chamber of Commerce (NEOHCC), and others.

In the area of financial literacy, the Bank continues to enhance its outreach and programming to minority and girls' high schools, through partnerships with community-centered organizations such as Esperanza, and professional organizations such as The Young Latino Network. For example, in partnership with the Cleveland Metropolitan School District, inner-city high school students were selected to perform internships at the Bank. Through continued mentoring, it is our hope that these internships could lead to full-time, permanent employment.

Two Bank staff members volunteered to work with Cleveland State University to develop a Math Corps program. This program was modeled after Wayne State University's Math Corps, which achieved notable success with Detroit students for over 20 years. Targeted to local middle and high school students, the program enables these students to advance their own skills, while also mentoring younger students. In 2012, two Bank economists also facilitated a four-week session with a class of 23 middle school students and 15 high school mentors.

Staff also worked with the Educational Service Center of Cuyahoga County to create student learning objectives. The objectives will help guide local school districts as they work to identify resources and measurement strategies for Ohio's financial literacy education requirements.

The Bank's diversity efforts are becoming more and more visible within the community. For example, Bank President Sandra Pianalto was selected to participate on a panel with two other community and corporate leaders to share experiences with advancing inclusion. The panel discussed reasons why collaborative efforts are vital to the growth and development for the region's economy. The event was attended by a number of corporations from the greater Cleveland area.

Bank Progress

In 2012 the Bank further cultivated its relationships with partners such as the National Society of Hispanic MBA (NSHMBA) and the National Black MBA Association (NBMBA) by discussing talent acquisition strategies and opportunities that would yield results over time. In May, the Bank hosted NSHMBA for a networking and professional development opportunity. HR professionals at the Bank presented career opportunities and talked with interested individuals during the session. As part of our outreach to identify and build relationships with diverse audiences, Bank HR management partnered with NSHMBA and NBMBA and offered career coaching through mock interview and resume feedback.

Additionally, the Bank enhanced its recruitment efforts by expanding targeted talent acquisition partnerships to increase the diverse candidate pools. A key element of the Bank's recruitment strategy was a pilot of SALUDOS.com, the largest non-sponsored website for Hispanic professionals. The use of external sourcing companies has and will continue to supplement the Bank's talent acquisition plans according to the specific needs of the hiring departments. As a new outreach initiative, the Bank participated in the Puerto Rican Festival 2012 to promote its efforts in workforce diversity, supplier diversity, and financial literacy. Volunteers included employees from various business areas of the Bank.

A Human Resources review of talent acquisition processes is conducted periodically and discussed with Bank management. The discussion assists in assessing the effectiveness and adherence to human resource policies and practices. Minority representation for 2012 summer intern hires increased to 30 percent from 19 percent in 2011, indicating that the Bank's policies and practices have been effective. In addition, based on calendar year data, hiring of minorities increased from 20 percent in 2011 to 28 percent in 2012.¹

In the area of supplier diversity, the Bank created a Supplier Diversity Strategic Plan to help us be more effective in attracting and leveraging a more diverse set of suppliers, to address concerns previously shared with OMWI Directors in 2011, to document processes for internal stakeholders, and to provide monitoring mechanisms and reporting for various audiences (Appendix A). For the second consecutive year,

the Bank was recognized as the Best in Class for Supplier Diversity by the Commission on Economic Inclusion and significantly increased its qualified, diverse supplier pool as detailed in the report. In July, the Bank sponsored a Supplier Diversity Summit, which provided business and economic education, and discussed contracting opportunities for diverse vendors. The Summit was well attended with more than 50 participants, half of whom were minority- and women-owned businesses (MBE/WBEs). Survey results indicated the Summit met the business needs of the vendors, and they were supportive of plans for future events.

The Bank's effectiveness in its Equal Employment Opportunity (EEO)/Diversity Program efforts was validated in 2012 through a site visit by the Federal Reserve System Board of Governors (BOG). The BOG provided positive feedback on the Bank's programming, as well as on its applicant and workforce analyses.

The information that follows provides additional detail of the Bank's external and internal progress in the areas of minority and women employment, minority- and women-owned business inclusion, and financial education for underrepresented communities. Conclusions and recommendations are also included. The Bank's strong commitment to diversity and inclusion provides the call to action to be proactive in our thinking, business planning, decision-making, and execution of OMWI-related strategies.

1. Last year, in the 2011 OMWI Annual Report to Congress, aggregate talent acquisition data were reported according to the EEO plan year (October 1, 2010 to September 30, 2011). The 2012 format has been changed to report data based upon the calendar year (January 1, 2012 to December 31, 2012) to ensure consistency of data throughout the report. Further, minority hire data previously submitted in the 2011 OMWI Annual Report to Congress were under-reported at 23 percent (43) and have been revised to result in a more accurate representation of 25 percent (45) (see Appendix E on page 56).



OVERVIEW

Federal Reserve System-Level Overview

The Federal Reserve System (System) comprises 12 regional Reserve Banks that serve different districts and the Board of Governors in Washington, DC. The Federal Reserve Bank of Cleveland, along with the other 11 Reserve Banks in the System, is supported by the National Procurement Office (NPO). The NPO is a procurement function within the Federal Reserve System that develops and executes national contracts for certain goods and services that, when sourced collectively, provide the best value for multiple Reserve Banks.

The Office of Employee Benefits (OEB) is an unincorporated Federal Reserve entity that serves as agent for the Committee on Plan Administration and the Board of Governors, for administering benefits to Federal Reserve System employees, retirees, and their beneficiaries. The OEB provides leadership in formulating employee benefits programs and in operating these programs which include: the Thrift Plan (i.e., a defined contribution plan), health benefits, long-term disability, personal accident insurance, business travel accident insurance, group universal life insurance, long term care, group legal, auto and homeowners insurance, and basic life insurance plans.

Diversity Recruiting

Since 2007, Reserve Banks within the System have worked collaboratively to implement strategic national diversity recruiting and advertising efforts across all 12 Reserve Banks, the Board of Governors, and Federal Reserve Information Technology (FRIT). The System Diversity Recruiting project uses this collaborative and cost-effective approach toward participation in five national diversity-focused conferences and several regional conferences. Diversity advertising via online, print, and social media vehicles aligns with conference presence to position the System as an employer of choice.

During 2012, the System collectively attended the following five national diversity recruitment conferences: National Urban League, NBMBA, NSHMBA, Association of Latino Professionals in Finance and Accounting (ALPFA), and Thurgood Marshall College Fund Leadership and Recruitment Fair. Regional diversity conferences included participation at Atlanta University Consortium, National Association of Asian American Professionals, Hispanic Consortium for Colleges and Universities, Black Data Processors Association, and LGBT Out for Work.

Working closely with these nationally recognized organizations, with a focus on advertising and recruitment, helps System districts make successful diverse hires and creates awareness among prospective employees of the Federal Reserve System as a diverse employer. In order to proactively source talent, the System screened more than 1,000 resumes, interviewed scores of candidates via phone and onsite interviews, and used Twitter to advertise opportunities and increase visibility. Additionally, approximately 20 Federal Reserve System employees served as career management coaches by volunteering to assist job seekers at the NSHMBA conference with resume review, career coaching, and mock interviews. The System also featured several of its Latino executives in a NSHMBA e-newsletter, highlighting its success stories as a diverse employer.

Additionally, the System was recognized for its national diversity recruiting work by the *Professional Women's Magazine*, *Black EOE Journal*, and *Hispanic Network Magazine* as among the top 10 employers committed to diversity and inclusion among financial institutions.

Supplier Diversity

In 2012, the Federal Reserve System collaboratively participated in two supplier diversity conferences to reach minority- and women-owned firms. The conferences attended were sponsored by the WBENC and the National Minority Supplier Development Council (NMSDC). The Reserve Banks collectively worked together in 2012 to identify opportunities to further the System's supplier diversity programs, practices, and actions. This includes coordinating national outreach efforts as well as participating in national supplier diversity conferences.

Financial Literacy

The Reserve Banks and Board of Governors partner to identify opportunities for the System to collaborate on financial literacy programming, mentoring opportunities, and other related activities for inner-city high schools, girls' high schools, and high schools with majority-minority populations. In 2012, coordinated programming included events such as the Congressional Hispanic Caucus' Ready to Lead sessions and the Congressional Black Caucus' Youth Leadership Summit.

Federal Reserve Bank of Cleveland Overview

The Federal Reserve Bank of Cleveland serves the Fourth Federal Reserve District, which comprises Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia. The Bank's Office of Minority and Women Inclusion remains focused on three strategic areas: minority and women employment, inclusion of MBE and WBEs in contracting, and financial education for underrepresented communities. These areas are primarily driven by work in Human Resources (HR), Contracts Administration and Purchasing Services (CAPS), and Community Relations (CR), respectively, and supported through technical assistance, education, and strategic direction by the OMWI office.



The Federal Reserve Bank of Cleveland is one of 12 regional Reserve Banks in the United States that, together with the Board of Governors in Washington, DC, comprise the Federal Reserve System. The Federal Reserve Bank of Cleveland, including its branch offices in Cincinnati and Pittsburgh, serves the Fourth Federal Reserve District (Ohio, western Pennsylvania, the northern panhandle of West Virginia, and eastern Kentucky).

In 2012, the Bank refreshed its values as a part of its continued efforts to improve operational efficiency, strategic direction, and organizational effectiveness. Inclusion is one of those six values. A cornerstone of the Bank's culture, inclusion is a value that guides the Bank in all its decision-making. It is also a component of one of the Bank's high-priority initiatives to deliver on our commitment to excellence.



Applied in practice with the other values—accountability, excellence, innovation, integrity, and service—inclusion guides Bank leadership, management, and staff toward achieving our strategies and vision. It is integrated into every business function performed by the Bank and is reinforced by the Bankwide efforts of the Office of Minority and Women Inclusion. To further reinforce and operationalize our Bank values in 2012, they were integrated into the Bank's performance management process with mandatory training for all managers and reinforced by senior leadership.

All Bank diversity and inclusion efforts are supported by the OMWI office, which consists of the OMWI director, the assistant vice president and deputy EEO officer for the Bank, the compliance manager, the reporting analyst, a part-time paid summer intern, and the newly created position of program and information coordinator.



Through its talent acquisition processes, the Bank continues to make progress in its minority and women employment.

MINORITY AND WOMEN EMPLOYMENT

In 2012, the Bank developed, reviewed, and approved a Talent Acquisition Strategy to better identify and attract a diverse, high-performing workforce that reflects the communities we serve. The strategy outlines the actions to be used to build and develop diverse candidate slates to strengthen the bench of talent and includes forecasted hiring opportunities and targeted outreach to enhance workforce representation.

Major outreach efforts to diverse audiences include college career fairs, posting positions with female and minority professional organizations, use of a variety of diversity job boards, attending networking events, and collaborating with professional organizations. A more diversity-focused and education-specific approach was used to determine which career fairs to attend in 2012. The Bank enhanced the process by further integrating representatives from the hiring departments and the OMWI office to complement the efforts of the recruitment staff.

The Bank targeted its recruiting efforts involving intern positions by attending fairs at schools that serve diverse student populations. Human Resources (HR) team members and representatives from the hiring departments attended the fairs to provide a full picture of the job opportunities to the students. The Bank has continued to develop its relationships with several professional minority organizations to broaden our reach and network with their members, and in return we have provided professional HR coaching in resume development and interviewing skills.

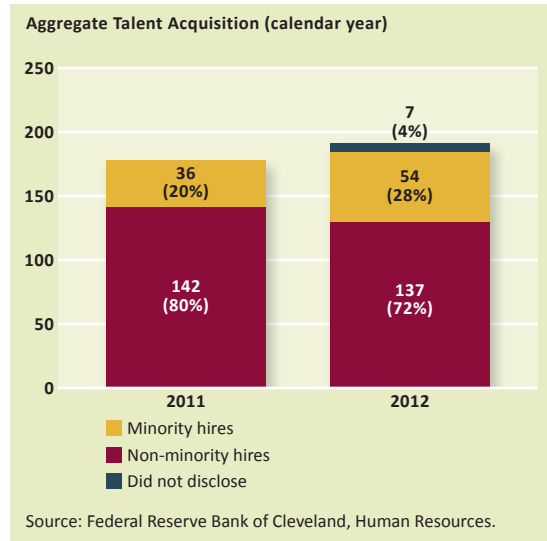
Successes

Diverse Applicant Pools

A Human Resources review of talent acquisition processes is conducted periodically and discussed with Bank management. The discussion assists in assessing the effectiveness and adherence to human resource policies and practices. Minority representation for 2012 summer intern hires increased to 30 percent from 19 percent in 2011, indicating that the Bank's policies and practices have been effective. In addition, based on calendar year data, hiring of minorities increased from 20 percent in 2011 to 28 percent in 2012.²

The HR and eGovernment departments collaborated to successfully staff 27 highly technical positions over a 90-day period as a result of new work coming into the Bank. The majority of those positions were in great demand in the market place. HR, the OMWI office, and departmental management partnered to identify sourcing strategies, streamline the selection process, and develop compensation offers. A specialized IT contract recruiter, a candidate identification firm, and more than 40 temporary and permanent placement firms were enlisted to assist in sourcing. The results of the collaboration and hiring efforts yielded diverse hires of 37 percent.

To expand its communication with more diverse applicant pools, the Bank further cultivated its relationships with partners such as NSHMBA and NBMBA.



In May, the Bank hosted NSHMBA for a networking and professional development opportunity. HR professionals at the Bank presented career opportunities and talked with interested individuals during the session. As part of our outreach to identify and build relationships with diverse audiences, HR management partnered with NSHMBA and NBMBA and offered career coaching through mock interview and resume feedback. The Bank invited one of NSHMBA's officers to speak with key management and staff from HR, OMWI, and key business areas about more customized approaches to recruiting Hispanic personnel. The session was well attended, and the dialogue was effective in generating ideas.

As a further commitment to increasing the diverse candidate pipeline for interns, the Bank reached out to INROADS, the nation's largest non-profit source of paid internships for undergraduate, diverse youth, to reenergize the relationship and encourage their active involvement with the Bank. As a result, INROADS has referred a number of qualified, diverse candidates for the 2013 Intern Program.

2. Last year, in the 2011 OMWI Annual Report to Congress, aggregate talent acquisition data were reported according to the EEO plan year (October 1, 2010 to September 30, 2011). The 2012 format has been changed to report data based upon the calendar year (January 1, 2012 to December 31, 2012) to ensure consistency of data throughout the report. Further, minority hire data previously submitted in the 2011 OMWI Annual Report to Congress were under-reported at 23 percent (43) and have been revised to result in a more accurate representation of 25 percent (45) (see Appendix E on page 56).

Progress measurement has been a focus in 2012 to provide management with the tools to make informed decisions, understand the impact of actions, and tell the Bank's talent acquisition and workforce representation story. A few of the reports include:

- **The Diverse Candidate Slate Summary Report:** Hiring managers are provided a high-level review of the makeup of their candidate slate to be used as part of their discussion with their senior officer as they review their hiring recommendation.
- **The Requisition Diversity Summary Report:** Used as an internal HR measurement, the report indicates the percentage of filled positions meeting the Bank's definition of a diverse candidate slate.
- **An enhanced Talent Acquisition Report:** This is a dashboard that contains hiring information and communicates the gender and racial/ethnic makeup of pools at the submission, applicant, candidate, and hire stages as well as declinations in 2012.
- **Workforce Utilization Analysis for all EEO groups and Potential Adverse Impact Analysis:** These analyses were conducted with results reported out to HR and OMWI management and staff. Based on the educational levels used and the specific degree programs, there was no underutilization or potential adverse impact identified. Based on workforce representation over the last five years, the Bank's OMWI leadership feels the need to continue its focus on strengthening minority representation particularly in the Hispanic community.

To continue measuring our progress in promoting workforce diversity, the Bank provides equal employment opportunity reports to the BOG as well as participating in periodic reviews conducted by the BOG. The Bank responds to any feedback and uses the information shared to improve its efforts.

Human Resource Development

The Bank continues to evolve from an operational-focused organization to a more knowledge-based one. The organizational development function sponsored programs to provide tools and opportunities to strengthen awareness and accountability and to support diversity and inclusion.

One such program delivered to all managers included education and skills enhancement on effective performance conversations, giving feedback, employee development, and valuing and managing differences. These actions better align our organization's activities and processes to the goals of the Bank, support ongoing communication, and help ensure equitable treatment of employees. As an example, the Bank also implemented a new online sexual harassment training course that covers additional protected categories such as race, disability, and sexual orientation while highlighting the Bank's policies.

Challenges

Sourcing minority candidates for technical and specialized positions continues to be a significant challenge for the Bank. The Bank's internal Recruitment Service Guide highlights a commitment to diversity and promotes a discussion and agreement between HR and the hiring manager on the recruitment strategy. However, there are unique challenges based on:

- positions within the Bank that require regulatory experience for which there is a small candidate pool across the nation
- a need, as a result of regulatory reform, to hire people with emerging skillsets such as information technology
- increased competition from colleges and universities for diverse economist candidates at the graduate and doctorate levels

Next Steps

The Bank has increased its efforts and involvement with the Federal Reserve System's National Diversity Career Fair recruiting efforts. HR and hiring managers will be actively involved in meeting and identifying potential candidates at key diversity career fairs. Collaborating across the other 11 Reserve Banks and the BOG allows the System to deliver a consistent and cohesive experience to the candidate and enhances the Federal Reserve System brand. The fairs that will be attended include those of the ALPFA, the NMBAA, the NSHMBA, and Thurgood Marshall.

In addition, the Bank added Florida International University, a Hispanic-serving institution, to its 2012 career fall schedule with the objective of increasing Hispanic students applying for 2013 internships.

Increased coordination with the Bank's hiring departments remains an important objective. To fulfill this objective, HR and the OMWI office will meet with business areas during 2013. This follows the Bank's initial set of discussions completed in 2011 that developed awareness in the areas of hiring, through the review of applicant data. The meetings will review departmental applicant data and introduce workforce analysis to enable managers to better understand the demographics of their organization at each level.



In May 2012, the Commission on Economic Inclusion presented the Best in Class Award to FRB Cleveland for supplier diversity for the second consecutive year.

MINORITY- AND WOMEN-OWNED BUSINESS INCLUSION

The Bank remains committed to inclusion through its proactive supplier diversity efforts. Throughout 2012, awareness of the importance of supplier diversity became even more ingrained among Bank management and staff. To maximize its efforts, the Bank enhanced its Supplier Diversity Program with revised procedures and processes to ensure an inclusive environment and to provide an opportunity for all qualified, financially sound suppliers to compete for Bank business.

The expanded program also provided opportunities to develop new tools to assist business units with their supplier diversity efforts. The Contracts Administration and Purchasing Services (CAPS) department worked with senior management to establish a blueprint—a Supplier Diversity 2012–15 Strategic Plan—to ensure the Bank's success in executing its supplier diversity practices and objectives for future years.

Successes

Local Award Recognition

The Commission on Economic Inclusion awarded the Bank the “Best in Class for Supplier Diversity” award for the second consecutive year. This year, the award was for the middle-market category, which was based on member organizations with fewer than 1,000 employees.

Facilitation of the First Supplier Diversity Summit

In conjunction with the OMWI office, CAPS hosted a Supplier Diversity Summit on July 31, 2012, in which more than 25 regional companies attended. The summit was designed to boost collaboration and to encourage sustainable business relationships with minority- and women-owned companies.



Senior Vice President and CFO Susan Steinbrick welcomes area business representatives and Bank employees to the Supplier Diversity Summit.

Summit speakers addressed key topics of interest to the diverse audience. The keynote speaker, a recognized expert in the area of minority- and women-business development, spoke about growth strategies for minority- and women-owned small businesses and discussed tactics for companies seeking to develop stronger supplier diversity strategies. A Bank Research economist closed the formal program with remarks on regional and national economic trends.

Following the presentations, participating suppliers interacted with functional representatives and procurement staff to learn about potential opportunities for them to do business with the Bank.

Supplier Diversity Strategic Plan

A Supplier Diversity Strategic Plan for 2012 through 2015 has been approved and implemented. The plan was created to ensure a sustained approach to achieving supplier diversity objectives. The Supplier Diversity Strategic Plan lays out specific objectives, key strategies, and metrics to measure year-over-year improvement in diverse sourcing. The Procurement department implemented an online Supplier Diversity Toolkit available as a resource to the Bank’s business areas. The online toolkit contains helpful information and applicable forms used in relation to supplier diversity processes and procedures. The Bank’s Supplier Diversity website that houses the toolkit also allows stakeholders to be more effective in sharing information on supplier diversity such as Bank project lists, OMWI/CAPS department meeting minutes, supplier diversity certification documents, and metric reporting.

Diverse Supplier Education/Training

Training is an important piece of the overall supplier diversity program. When employees understand the importance of diverse suppliers and are able to enhance their business development skills, they better understand their roles in creating a successful program. Employees learned how to work with diverse suppliers and what the Bank’s responsibilities to the suppliers are. CAPS also offered training to employees who maintain Bank purchasing credit cards and showed them various ways to consider using diverse suppliers when making purchases. To inform and assist department heads regarding diversity initiatives and Bank diversity program goals, CAPS provided tailored training to meet their departmental requirements.

Increased Sourcing Opportunities

The Bank improved its diverse supplier sourcing opportunities by developing a project pipeline report that was established at year-end 2011. The report used information collected from a variety of sources, including CAPS meetings with all business units to discuss upcoming projects for 2012. The information gathered from the pipeline report gave CAPS more lead time to begin seeking diverse suppliers for identified projects, which in turn improved diverse supplier sourcing opportunities. In addition, due to enhanced preplanning, the Bank significantly increased its diverse supplier pool from 2011 levels. The increase was seen in the temporary employment, fitness instruction, construction, and moving service categories.

In 2012, the Federal Reserve Bank of Cleveland spent a total of \$30.6 million in reportable expenditures.³ Of that sum, the Bank paid diverse suppliers \$2.4 million (approximately 7.8 percent of total reportable expenses), of which minority-owned businesses accounted for \$0.37 million (approximately 1.2 percent of total) and women-owned businesses made up \$ 2.0 million (or 6.6 percent of the total). In 2012, the Bank also reported a total tier 2 MBE/WBE spend of \$0.78 million. This spend was seen in the areas of office supplies, food services, and construction.

Improved Reporting

Creating meaningful measurements is important for the achievement of supplier diversity program success. In an effort to provide Bank management information on supplier diversity activity, CAPS enriched existing reporting and metrics. Contracts are monitored monthly and a report is generated listing expiring agreements to allow CAPS and the OMWI office sufficient time to research new diverse suppliers. Annually a Contract Expiration Report is combined with information from the Bank's Capital Expense Report to create a Pipeline Report that reflects potential opportunities and provides ample time for diverse supplier sourcing.

The National Procurement Office (NPO) introduced a new spend analytical tool to enable the CAPS to turn raw spend data into easy-to-understand information then transmit it to senior management in a more efficient manner for timely action. Previously, this data gathering was a tedious manual task.

3. The \$30.6 million of total reportable spend does not include reimbursed medical expenditures made on behalf of employees and retirees. This method for calculating reportable spend is consistent with the other eleven Reserve Banks.

Launch and Implementation of Procurement Strategic Supplier Tool

To ensure all potential new acquisitions \$10,000 (\$20,000 for construction) or greater are captured and diverse suppliers are considered, CAPS created and implemented an easy-to-use tool to assist business units with an online portal to identify all acquisitions. By entering a new acquisition into the Procurement Strategic Supplier Tool, the business unit gives CAPS and the OMWI office notice to source, investigate, and prequalify potential new diverse suppliers. If a diverse supplier is not located or available, the tool maintains documentation signed by the business unit officer and CAPS department officer detailing why a diverse supplier was not included in the sourcing opportunity. The tool also maintains a listing of all previously used and newly sourced diverse suppliers with contact information so those suppliers can be used for consideration on future opportunities.

Strengthened Relationships in the Local Supplier Diversity Community

In 2012 CAPS and the OMWI office continued to interact and build relationships with external organizations involved with supplier diversity. They

- presented on the Bank's supplier diversity efforts to minority contractors at the invitation of the Construction Employers Association
- co-sponsored and presented at the Northern Ohio Minority Supplier Diversity Council bi-monthly Corporate to Corporate meetings
- attended the 2012 Business Opportunity Fair "Building Bridges for a Stronger Economy" sponsored by the Northeast Hispanic Chamber of Commerce and NOMSDC
- co-sponsored "Small Dollar/Big Impact" luncheon for the Bank's Purchasing Card holders
- participated in monthly meetings of the Federal Reserve System's Supplier Diversity Standards and Procedures Workgroup
- participated in the Consortium of African American Organizations' (CAAO) 2012 Business and Individual Matchmaker Event
- attended the Commission on Economic Inclusion's Chief Procurement Officer Quarterly Meetings

Challenges

As the Bank continues to expand its Supplier Diversity Program, challenges are becoming apparent when suppliers are given the opportunity to participate in acquisitions. The challenges encountered are as follows:

- In some cases, after diverse suppliers have been presented with an opportunity to bid on Bank acquisitions they did not submit quotes and/or proposals. Bank staff provided technical assistance to vendors that had difficulty using electronic tools.
- Some diverse suppliers find it difficult to compete with major corporations for regional or national Federal Reserve System contracts because they do not have the critical mass to effectively offer a competitive bid. One reason for this challenge was the lack of availability of sufficient work crews to perform during the required timeline. During 2012, in the Cleveland area, there were multiple, large construction projects that qualified, diverse vendors were already committed to.

Next Steps

In a continued effort to deliver on the Bank's commitment to supplier diversity, several areas of focus will be pursued in 2013—improvement in the identification of diverse supplier sourcing opportunities; expansion of the pool of qualified, financially sound, diverse suppliers based on types of goods and services the Bank procures; education of suppliers on the methods of doing business with the Bank through outreach-related activities; further enhancement of the reporting program designed to provide timely, meaningful reporting to key stakeholders; and continued training of awareness and understanding of the value of supplier diversity.



President Sandy Pianalto with the Bank's 2012 Fed Scholars at the Esperanza scholarship luncheon.

FINANCIAL LITERACY ACTIVITIES

The Bank continues to expand its financial education and engagement offerings by aligning outreach efforts with strategic Bank initiatives. This alignment ensures a shared understanding of the importance of, and our commitment to, outreach and engagement to District stakeholders with a targeted focus on under-represented communities. It also creates an environment of collaboration and purpose as we deliver on our responsibilities as a regional Reserve Bank.

In 2012, the Bank provided program initiatives in support of the Bank's OMWI strategies with a particular emphasis on financial education and mentoring. By collaborating with internal departments, the Bank was able to more proactively market resources to underrepresented communities. Three key areas of focus were the Bank's Learning Center and Money Museum, regional education outreach and engagement, and Hispanic community outreach.

Successes

Learning Center and Money Museum

The Bank's Learning Center and Money Museum is an on-site education facility that serves as the Bank's public face. It welcomed 7,440 visitors in 2011 and increased traffic to 8,879 in 2012, including, but not limited to, individuals from area high schools and community centers. The free programs and targeted outreach strategies are designed to provide transparent, open access to the Bank's resources for the District's diverse community audiences. The hands-on exhibits, inter-active games, and state curriculum-aligned program offerings focus on critical thinking. It creates a fitting platform for the Bank's ongoing efforts to provide financial education and mentoring to students in underrepresented communities. Now in its sixth year, the facility underwent renovations in 2012. Those renovations were informed and inspired by feedback from students and educators. Projects in 2012 included:

- The Fed Mentor program, a continuing program that offers ongoing collaborative programming for students in two Cleveland-area high schools: Programs were held throughout the academic year at the schools and at the Bank and focused on financial education, networking, and issues the students identified as important to them including computer skills and presentation skills. At a year-end program, every student who attended the final program called their involvement worthwhile and was eager to participate again in the 2012–13 school year. The Bank also welcomed a new class of students and Bank volunteers into the Fed Mentor program for the class of 2012–13.
- The Fed Scholars program, where students spend the summer working in the Bank's Community Relations Department as part of a paid summer immersion program: For the second summer, the Bank hosted five diverse high school interns who were identified through their involvement with the Fed Mentor program or through partnerships with community agencies. Developed internally, the program focuses on job readiness skills, financial education, networking, critical thinking and problem solving, communication, collaboration, and creativity and innovation.
- Employability Skills Boot Camp, which the Bank hosted for more than 130 high school students from six underrepresented high schools: Job readiness skills presented during the two-day program at the Bank focused on critical thinking, financial literacy, presentation skills, and resume writing. The Bank's program partner was Youth Opportunities Unlimited, a Northeast Ohio organization whose mission is to empower youth age 14–19 who come from families at or below poverty to succeed in school, the workplace, and life. The organization's president called the Bank's partnership "vital" to the program and "inspiring" to the students involved.
- Creation of Student Learning Objectives, which will help guide local school districts as they work to identify resources and measurement strategies for Ohio's financial literacy education requirements: The Bank collaborated with the Educational Service Center of Cuyahoga County, which provides education training to teachers and students in three area counties and includes Cleveland Public Schools, to help create this program.
- Collaborating with the Cleveland Metropolitan School District to identify and train volunteers from the business and banking community to provide financial literacy training for eighth-grade students across the school district to help ensure they enter high school with a basic understanding of economic concepts.

Enhanced District Outreach

The Learning Center and Money Museum has successfully helped lift the Bank's public profile in Northeast Ohio. It is also imperative that strategies be encouraged to support sustained Districtwide engagement with our communities—including underrepresented audiences. Those efforts are found in a number of key approaches including online, videoconference, education products, and special program partnerships:

- *Great Minds Think*, the Bank's signature financial education workbook has now been distributed to nearly 500,000 people all over the world. Educators, businesses, bankers, government and civic organizations continue to request it for their programming. Available in English and in Spanish, it remains the most requested publication in the Bank's history and the #1 download for the Bank's website.
- Fed in the Classroom is a videoconference program that brings our programming into schools and communities across the country to present economic updates and financial education lessons. It also offers online study questions and answers based on current research and economic information, giving educators an opportunity to comfortably draw students into guided discussions on current economic policy by providing online resources to inform discussion and inspire debate.
- Learning Center and Money Museum online, an integral part of the 2012 update, has been a concerted effort to create online offerings that reflect the actual museum visitor experience. Games, activities, and guided learning are available anytime to educators.

The Bank's annual creative writing contest this year was "Economics on TV." The contest was specifically marketed to underrepresented communities and girls schools resulting in new entries from those audiences. Written feedback from educators was highly positive.

The Bank began targeted outreach to regional colleges and universities that host summer leadership programs for underrepresented high school students. We presented video conferences and hosted special on-site field trips as a result of that outreach strategy.

Hispanic Youth

In response to continued community concerns about graduation rates (33 percent among Hispanic youth in Cleveland Public Schools) and the small but growing Hispanic presence in Northeast Ohio, there has been a concerted effort to reach out to the District's Hispanic community. Ongoing dialogue with Hispanic community and business leaders led to the development of an engagement strategy that includes partnerships with Esperanza, a local Hispanic community center; the Young Latino Network, a community organization for Hispanic business professionals; and the Hispanic Roundtable, a network of Hispanic business professionals. These partnerships have resulted in initiatives designed to promote the Bank as a welcoming community partner and a trusted resource for information, employment, education, and business opportunities:

- The Bank hosted afterschool financial literacy programs for Hispanic high school youth as part of the Fed Mentor Program as well as an employee program to share information about Hispanic community, culture, and language.
- The Bank sponsored 15,000 inserts of the financial literacy workbook, *Great Minds Think*, in *La Prensa*, Ohio and Michigan's oldest and largest Latino weekly newspaper
- Bank President Sandra Pianalto was the keynote speaker at the annual Esperanza Fiesta of Hope Scholarship luncheon, where she spoke to a record 725-plus attendees on the importance of education, lifelong learning, and sustained community engagement in student education
- Three Hispanic students participated in the Bank's Fed Scholars Program—a paid summer immersion work study program for Fed Mentor students. One of the students was hired to work part-time after school in the Learning Center. As a result of the student's extended Bank experience, she has altered her future career goals from obtaining vocational education to pursuing a bachelor's degree. In addition, two Bank staffers (including one newly hired Hispanic staffer) became volunteers at the Esperanza Inc. community center.
- More than 25 Bank employees who volunteer as guides for our Tour and Learning Center programs signed up for 20 available seats for Spanish-language classes in the Bank. The classes were taught by Viva Spanish, a local small business owned by a Hispanic female.

Challenges

Much work has gone into identifying underrepresented student audiences throughout the District and that information has informed our outreach strategies. There are ongoing efforts to extend our District reach through partnerships, online learning opportunities, and resource sharing. Those products and services are consistently well received, however, educators overwhelmingly prefer on-site experiential learning and geography continues to limit our ability to offer that to all underrepresented District communities.

The Bank's Learning Center and Money Museum is a cornerstone for the Bank's student/educator outreach efforts. Budget cuts at schools throughout the Fourth District have severely limited, and in the case of some urban districts, virtually eliminated field trip opportunities. The Bank is continuously working to identify creative strategies for engagement focused on meeting student/educator needs by developing creative strategies for student educator engagement. Programs include greater use of distance learning strategies and an increase in off-site District programming by Learning Center staff.

Next Steps

Although every effort is made to collaborate with District high schools for financial literacy and education programs, our underrepresented communities are also advising us to take our programs directly into communities. Their guidance is that the programs will have greater impact and greater reach if they are delivered in the environment where students feel most comfortable. With that recommendation in mind, we have altered our outreach plans to go where the students are. That has led to a stakeholder driven mix of in-class programming, after school programming, and community-based programs.

We have elected to partner with organizations and provide our engagement and mentoring opportunities in ways that the agencies suggest will best serve student needs.



Bank staff gather to discuss highlights of the 2011 Annual Report to Congress.

CONCLUSIONS AND RECOMMENDATIONS

The Bank remains on track with meeting all OMWI strategic objectives and continues to make progress. Analyses are being conducted for enhancing reporting and measuring effectiveness of various initiatives, and results are being shared with affected internal partners to identify strengths, weaknesses, opportunities, and threats to the Bank's continued OMWI success.

Critical to our success in 2012 has been the fostering of external partnerships, an increased dedication to internal collaboration, and a focused and intentional approach to OMWI strategic planning. From augmenting the exchange of diversity and inclusion best practices, to proactively gathering and applying employee feedback to developing and sharing new guidelines, the Federal Reserve Bank of Cleveland remains fully committed to the diversity journey it began years ago and firmly believes that it will meet the challenges it faces.

Moving forward, all Bank stakeholders are encouraged to think of creative, doable ways of improving inclusion in the workforce, contracting, and financial education areas. The participation of the Bank's business areas has been instrumental in building upon existing strategies and focus. Working OMWI-influenced strategies into the development of functional objectives will be critical in continued performance outcomes.

Acronyms Used in This Report

ALPFA	Association of Latino Professionals in Finance and Accounting
BOG	Federal Reserve System Board of Governors
CAPS	Contracts Administration and Purchasing Services
CR	Community Relations
CAAO	Consortium of African American Organizations
EEO	Equal Employment Opportunity
FRIT	Federal Reserve Information Technology
HR	Human Resources
MBE/WBES	minority- and women-owned businesses
NBMBAA	National Black MBA Association
NEOHCC	Northeast Ohio Hispanic Chamber of Commerce
NMSDC	National Minority Supplier Development Council
NOMSDC	Northern Ohio Minority Supplier Development Council
NPO	National Procurement Office
NSHMBA	National Society of Hispanic MBAs
OEB	Office of Employee Benefits
OMWI	Office of Minority and Women Inclusion
UFSC	Urban Financial Services Coalition
WBENC	Women's Business Enterprise National Council

Appendices

- A. Supplier Diversity Strategic Plan
- B. EEO-1 Report
- C. 2011 Employers Survey on Diversity,
Individual Scorecard
- D. Diversity and Inclusion Ads
- E. Minority and Women Employment Data Revision



Federal Reserve Bank *of* Cleveland

Federal Reserve Bank of Cleveland Supplier Diversity Plan

November 2012



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Introduction

The Supplier Diversity Plan provides the Federal Reserve Bank of Cleveland (Bank) staff with the policies, practices, and tools to integrate supplier diversity into the Bank's ongoing business and management activities. A strong, proactive supplier diversity program supports the Bank's commitment to diversity and inclusion, serves the economic vitality of the region and community, and meets the contracting objectives set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 Sec. 342 Office of Minority and Women Inclusion. To simplify the descriptions of this plan, the term Dodd-Frank will be used to reflect Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Bank Philosophy

The Federal Reserve Bank of Cleveland seeks to acquire high-quality goods and services that are competitively priced, reliable, and aligned with our commitment to excellence from a qualified, financially sound, and diverse supplier base. To foster supplier diversity, the Bank is committed to promoting an environment that provides qualified suppliers, including minority-owned (MBE), women-owned (WBE), and small businesses, with the opportunity to compete for the Bank's business on a fair and equal basis. The Bank procures a variety of goods and services, such as general office equipment and supplies; building materials and furnishings; hardware and software; and a range of professional services, in areas such as training and management consulting, accounting and financial services, human resources, and technology.

Supplier Diversity Mission

The Federal Reserve Bank of Cleveland's supplier diversity mission is to improve the overall level of participation by certified minority-owned businesses and certified women-owned businesses in our purchase of materials and services. The Bank will be actively involved in outreach efforts by developing relationships and building recognition for the Bank with such diverse businesses.

Accountability

Supplier diversity accountability is embedded in our Bank's culture and environment. All levels of Bank management are responsible for ensuring that an inclusive environment exists and for providing the opportunity for all qualified, financially sound suppliers to compete for Bank projects. The Contracts Administration and Purchasing Services (CAPS) function is responsible



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for establishing a comprehensive procurement strategy and program that ensures the Federal Reserve System Model Acquisition Guidelines and requirements set forth in Dodd-Frank are followed. The Office of Minority and Women Inclusion (OMWI) is responsible for actively supporting supplier outreach efforts to increase the pool of qualified, financially sound, diverse suppliers and to assist business areas in qualifying suppliers. OMWI is also responsible for preparing the annual report to Congress. All business areas are responsible for being familiar with, and applying, the Bank's supplier diversity policies and procedures. It is through the commitment of our executives and dedicated employees that the Bank's Supplier Diversity Plan will be successful.

Purchasing Policy

The Federal Reserve Bank of Cleveland has a policy of providing equal opportunity to compete on Bank projects to all qualified suppliers, including minority-owned, women-owned, and small businesses. Companies that seek to do business with the Bank must demonstrate the ability to provide high-quality goods and services that are competitively priced, reliable, and aligned with our commitment to excellence. Each MBE and WBE is required to be certified by a certifying agent, such as the NOMSDC and WBENC, external to the Bank.

2012 – 2015 Strategic Plan

The Federal Reserve Bank of Cleveland's Supplier Diversity Strategic Plan has been established to further strengthen the Bank's supplier diversity program.

- Provide the opportunity for qualified, financially sound, diverse suppliers to compete for projects as a part of our strategic sourcing and procurement process. (Process)
- Actively seek certified diverse suppliers that can provide high-quality goods and services at competitive prices through involvement with minority-owned and women-owned small businesses and through participation in various diversity and procurement events. (Outreach)
- Ensure effective communication about the value of supplier diversity to all internal and external stakeholders. (Communication)
- Ensure effective reporting is in place to monitor the overall participation of diverse suppliers in the Bank's purchase of goods and services. (Reporting)



Measures

The Federal Reserve Bank of Cleveland adopted the following metrics to measure year-over-year improvement in diverse sourcing. See Appendix B for a sample report.

- % of MBE contracts awarded to total Bank opportunities
- % of WBE contracts awarded to total Bank opportunities
- % of MBE spend to total Bank reportable spend
- % of WBE spend to total Bank reportable spend
- Diverse qualified vendor pool % increase from prior year



Appendix A: Goals, Objectives, and Key Strategies

Goal 1

Provide the opportunity for qualified, financially sound, diverse suppliers to compete for Bank projects as a part of our strategic sourcing and procurement process. (Process)

Objective

- Improve the identification of diverse vendor sourcing opportunities.

Key Strategies

- Further integrate the procurement and capital and expense planning processes to improve proactive identification of diverse sourcing opportunities.
- Establish a procurement liaison program tailored for each business function that provides up-to-date knowledge of business initiatives and provides the opportunity to proactively advise management on procurement practices.
- Continue to identify and use tools to broaden the current sources that the Bank uses to identify diverse suppliers.
- Benchmark the Bank's supplier diversity program with the other Reserve Banks and appropriate external organizations to identify best practices.
- Expand the supplier diversity program to include second tier suppliers.

Goal 2

Actively seek certified diverse suppliers that can provide competitive, high-quality goods and services through involvement with minority-owned, women-owned and small business development organizations and participation in various diversity and procurement events. (Outreach)

Objectives

- Expand the pool of qualified, financially sound, diverse suppliers based on types of goods and services the Bank procures.



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- Educate suppliers on the methods of doing business with the Bank through outreach-related activities.

Key Strategies

- Host Bank Supplier Diversity Summit every two years to encourage sustainable business relationships with minority- and women-owned businesses.
- Actively participate in Corporate-to-Corporate Minority Supplier Development Council (MSDC) meetings, vendor fairs, Chambers of Commerce, and select supplier diversity organizations.
- Enhance the Bank's external website to provide more information on the Bank's supplier diversity program and engagement in vendor fairs, etc.

Goal 3

Ensure effective communication about the value of supplier diversity to all internal and external stakeholders. (Communication)

Objective

- Improve awareness and understanding of the value of supplier diversity.

Key Strategies

- Develop a comprehensive communication strategy to attract qualified diverse suppliers.
- Conduct meetings with qualified suppliers to gain insight into ways to improve the supplier diversity program.
- Develop a Bank supplier diversity educational program to increase awareness and understanding of the benefits of supplier diversity as well as Bank policy and procedures.



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Goal 4

Ensure effective reporting is in place to monitor the overall participation of diverse suppliers in the Bank's purchase of goods and services.

Objectives

- Establish a comprehensive reporting program designed to provide timely, meaningful reporting to key stakeholders.

Key Strategies

- Conduct interviews with key internal stakeholders to gain insight into ways to improve standard supplier diversity reporting.
- Develop an executive supplier diversity dashboard to provide a high-level overview of the supplier diversity program key initiatives and measures.
- Enhance current reporting based on key internal stakeholder interviews and process improvements to identify diverse sourcing opportunities. This includes the Pipeline report, Spend report, and expiring contracts for rebid.



Appendix B: Supplier Diversity Opportunity/Spend (Sample Report)

KEY

(1) Procurement has used the guidance provided by the NPD at year-end 2011 to remove "non-reportable" spend (e.g.: memberships, rent, utilities, etc.) from the "Bank Est. Reportable Spend". Anthem spend has also been removed, as in 2011, for consistency.

(2) 2012 YTD % gap represents \$28k of \$ spend. This \$ spend is highly dependent on the types of opportunities available for bid.

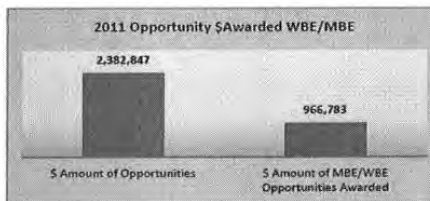
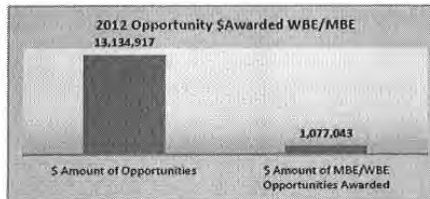
	1st Qtr. 2012	2nd Qtr. 2012	3rd Qtr. 2012	2012 YTD	2011 Year-End	Note
Total Bank Spend Less Anthem	9,674,741	6,823,102	7,509,843	24,007,687	30,658,165	Spend numbers will vary from year-to-year due to the number and costs of projects slated for that year.
Total Bank Est. Reportable Spend (1)	7,366,885	6,373,966	7,078,491	20,819,362	27,433,027	
Total MBE/WBE Spend	720,713	591,681	692,384	2,004,778	3,037,756	
% of MBE/WBE Spend (2)	9.78%	9.26%	9.78%	9.63%	11.07%	
Total MBE Spend	104,389	90,852	82,126	277,368	663,568	
Total WBE Spend	616,324	500,829	610,258	1,727,410	2,374,188	

Year-to-date the Bank has had a total of \$24M in total spend and \$20.8M in estimated reportable spend. Of the total estimated reportable spend, \$2.0M (9.63%) was diverse spend which is comprised of \$1.7M for WBE and \$277 thousand for MBE.



Opportunity	2011 Year-End	1st Qtr. 2012	2nd Qtr. 2012	3rd Qtr. 2012	2012 YTD	2011 YTD
# of Opportunities	65	3	15	18	36	38
# of MBE/WBE Opportunities	35	0	12	10	22	23
% of MBE/WBE Opportunities	53.85%	0.00%	80.00%	55.56%	61.11%	60.53%
# of MBE/WBE Opportunities Awarded	15	0	4	2	6	13
% of MBE/WBE Awarded	23.08%	0.00%	26.67%	11.11%	16.67%	34.21%
\$ Amount of Opportunities	\$3,775,833	\$2,400,280	\$1,090,668	\$9,643,969	\$13,134,917	\$2,382,847
\$ Amount of MBE/WBE Opportunities Awarded	\$854,606	\$0.00	\$282,043	\$795,000	\$1,077,043	\$966,783
% of MBE/WBE Dollars Awarded	22.63%	0.00%	25.86%	8.24%	8.20%	40.57%

As of September 30, 2012 the Bank has provided twenty-two (22) out of thirty-six (36) opportunities to MBE/WBE suppliers. Of the twenty-two (22) opportunities six (6) contracts were awarded to diverse suppliers. The six contracts awarded were to suppliers in the following categories: temporary employment, fitness instruction, construction, and moving services.





Appendix C: Supplier Diversity Reporting

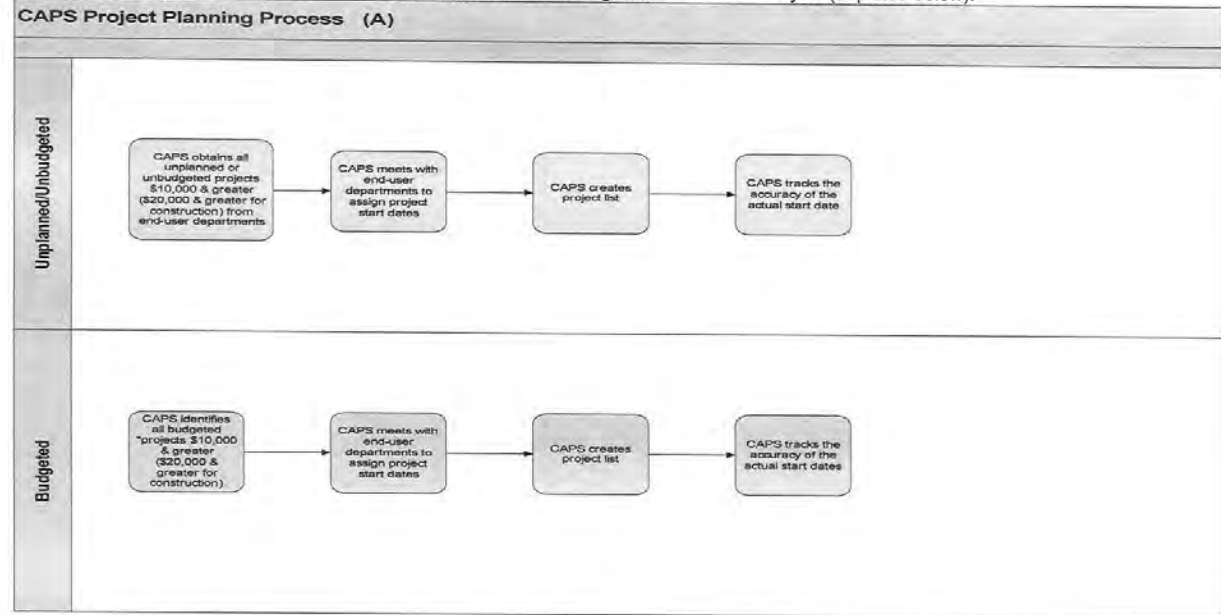
Reporting is designed to assess key activities and overall outcomes with respect to the Bank's supplier diversity objectives. CAPS is responsible for enterprise-level reporting for supplier diversity. In order to meet the additional reporting requirements of Dodd-Frank, business areas are required to report periodically to CAPS.

	Report	Frequency	Description
Contracts Administration & Purchasing Services	Project Pipeline Report	Quarterly	This report lists all project start and end dates for current year.
	Project Lead Time Report	Quarterly	This report identifies the lead time on all projects \$10,000+ (\$20,000+ for construction).
	Supplier Diversity Opportunity Report	Quarterly	For projects \$10,000+ (\$20,000+ for construction), this report provides the number of opportunities where a diverse supplier has been included in the bidding and the number of bids awarded to MBE /WBE suppliers.
	Supplier Diversity Spend Report	Quarterly	This report identifies reportable spend and percent of dollars spent with diverse suppliers, MBE-WBE.
	Identified Diverse Supplier Report	Quarterly	This report identifies the number of financially sound diverse suppliers identified and supplied to business areas.
OMWI Office	List of diverse suppliers obtained from outreach events	Monthly	OMWI provides CAPS a listing of new diverse suppliers located through outreach events attended by representatives from the OMWI.

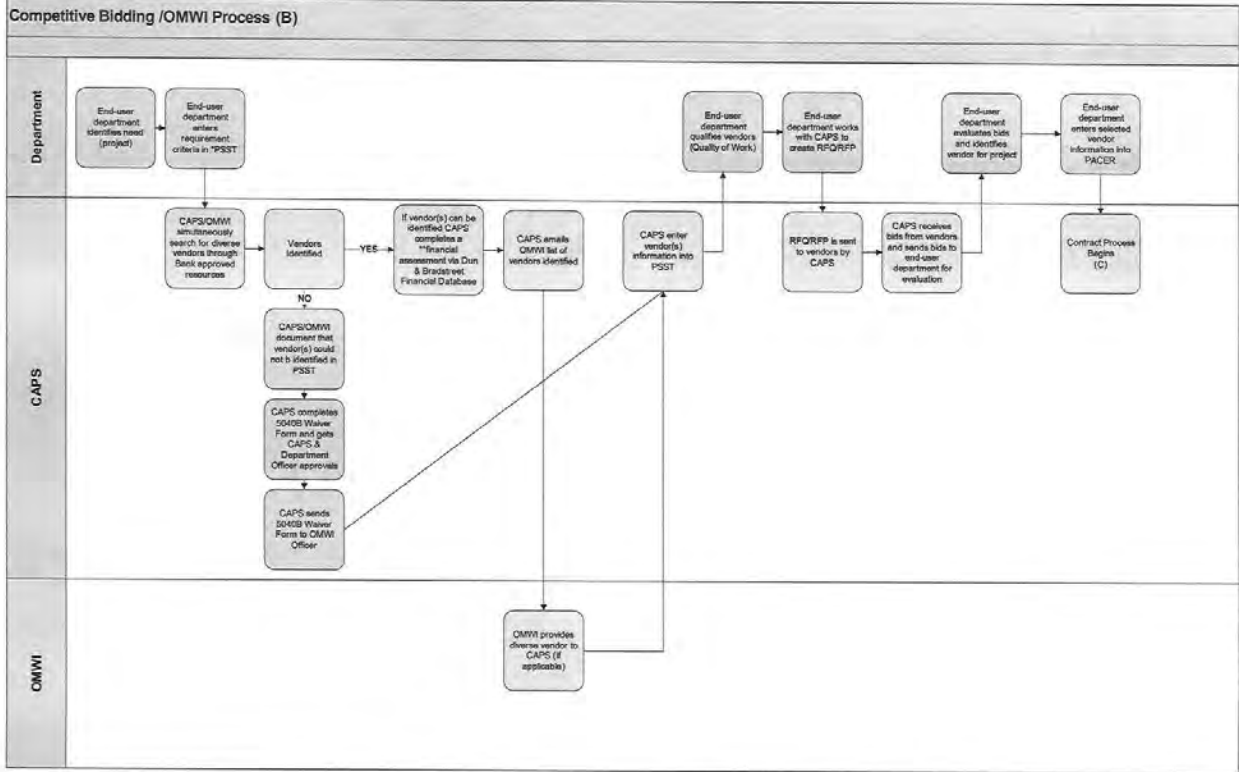


Appendix D: Internal Process Flow

Supplier diversity practices are embedded in existing processes throughout the vendor life cycle (depicted below).



*Projects consist of new Bank initiatives and expiring contracts taken from the Capital budget report and PACER



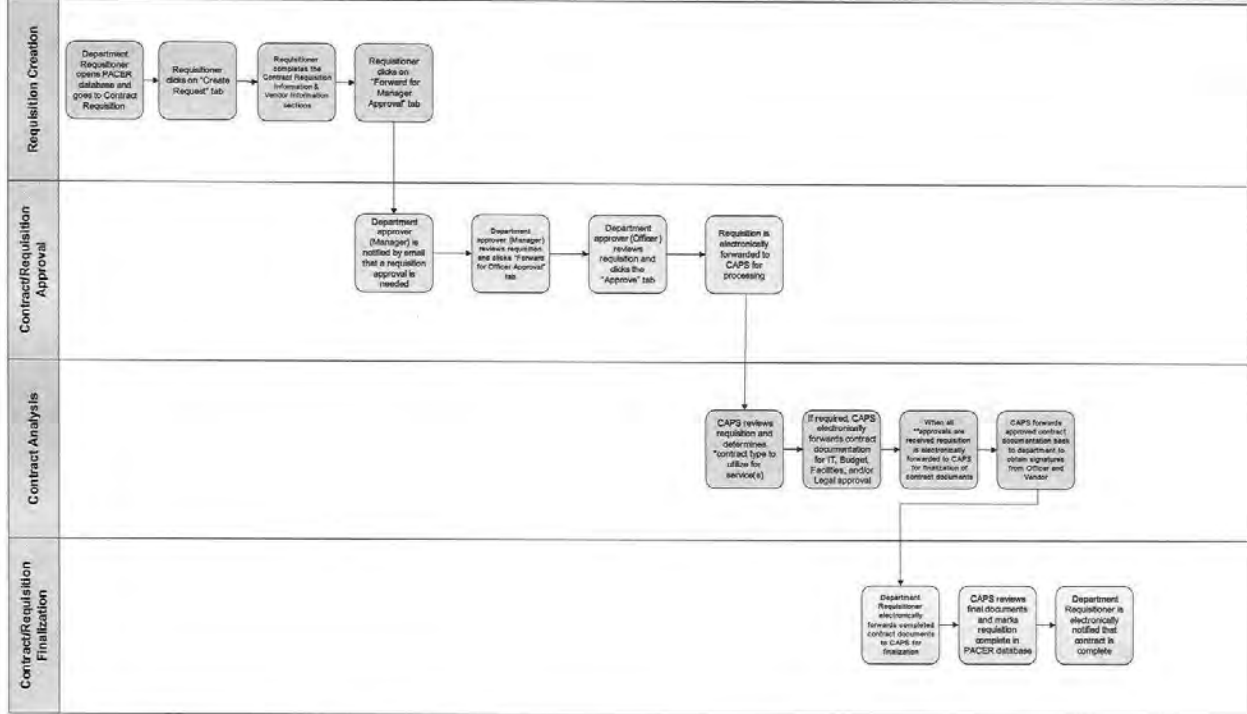
PSST – Procurement Strategic Supplier Tool

**If financial assessment is negative vendor will not be considered



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PACER Contract Process Flow (C)



*Contract Types - Contractor, AIA, Consultant, or Temp Agency

**PACER automatically assigns approval requirements based on the Delegation of Authority (5029)



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Appendix E: Stakeholders

A variety of stakeholders, both internal and external of the Bank, contribute to a strong supplier diversity program. The individual stakeholder roles and functions are further defined in the table that follows.

	Stakeholder	Role
INTERNAL FRBC	Contract & Purchasing Administration (CAPS)	The Contacts Administration and Purchasing Services (CAPS) function provides expertise that is designed to add value and secure the best possible price, quality, and delivery of goods and services to the Bank. The CAPS area is responsible for bringing a systematic approach to the centralized Procurement process by ensuring Federal Reserve System Model Acquisition Guidelines and requirements set forth in the Office of Minority and Women Inclusion Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 are met as it applies to the procurement process and supplier diversity.
	Business Areas	Business areas are responsible for the following: <ul style="list-style-type: none"> • Select a qualified supplier based on their technical and operational requirements. • Enter project information into the Procurement Strategic Supplier Tool (PSST). • Enter supplier information into the Purchasing and Contracts Electronic Requisition system (PACER) to begin the contract process.
	Office of Minority & Women Inclusion (OMWI)	The Office of Minority and Women Inclusion (OMWI) was established as one of the provisions of the Act and is responsible for all matters relating to diversity in management, employment, and business activities.
EXTERNAL SUPPLIERS	Supplier	A business enterprise that the Bank contracts with to provide goods and/or services. The term "supplier" is synonymous with "vendor" or "contractor" "Supplier" is the term most commonly used on connection with procurement diversity practices.
	2nd Tier Supplier	A supplier that does business with the Bank through a subcontract with one of the Bank's prime suppliers.
EXTERNAL STRATEGIC PARTNERS	National Minority Supplier Development Council (NMSDC)	A non-profit organization that connects certified minority-owned businesses with its corporate members.
	Northern Ohio Minority Supplier Development Council (NOMSDC)	Local affiliate of the NMSDC. Assists in locating certified suppliers on the Bank's behalf. The Bank is a corporate member.
	Women's Business Enterprise National (WBENC)	A non-profit organization that connects certified woman-owned businesses with its corporate members. The WBENC and its regional councils facilitate training, networking and other advocacy activities. The Bank is a corporate member,
	Commission on Economic Inclusion	A non-profit Regional organization committed to advancing economic inclusion in Northeast Ohio who assists organizations in using self-directed best efforts to create, implement and achieve diversity and inclusion within their organizations.
	Small Business Administration	An independent government agency created to assist the interests of small businesses through education, financing, contracting and advocacy.



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Appendix F: Terminology






	Term	DEFINITION
Supplier Related	Supplier	A business enterprise that the Bank contracts with to provide goods or services. The term "supplier" is synonymous with "vendor", but "supplier" is the term most commonly used in connection with procurement diversity practices.
	Prime Supplier	A supplier that does business directly with the Bank, and is the counterparty in the contract or purchase order. These suppliers, also known as "Tier 1" suppliers, are paid directly by the Bank.
	2nd Tier Supplier	A supplier that does business with the Bank through a subcontract with one of the Bank's prime suppliers. These suppliers, also known as "indirect" supplier, are paid by the Bank's prime supplier.
	Diverse Supplier	A business that is 51% owned, controlled, and operated by a U.S. citizen(s) and who is a member of one of the following groups: Minority Business Enterprise (MBE) which includes Asian-Indian/Asian Pacific, African American, Hispanic American, Native American, Women Business Enterprise, Lesbian/Gay/Bisexual/Transgender Enterprise, and Veteran/Disabled Veteran Enterprise.
	Small Business	A business that is independently owned and operated and is not dominant in its field or industry. Depending on the business ownership as defined above, a small business may also be, for example an MBE or WBE.
Supplier Classifications	Certified Supplier	A business that has been through a rigorous certification process administered by a recognized third party organization (such as the National Minority Supplier Development Council or the Women's Business Enterprise National Council). The certification process is used to determine that the business legitimately meets the standards for ownership, control and management to qualify it as a diverse supplier.
	Self-Certified	A business that has self-registered its status as a diverse supplier in a database, or on a survey or application form, but has not gone through a recognized certification process.
	Self-Assertion	The process by which a business claims that it is a diverse supplier (see "Self-Certified").
	Registered	Refers to the process by which a business enterprise is identified as a small business, generally through a government agency.
	Qualified	A business enterprise that is determined to be financially sound has a high degree of credibility in terms of meeting commitments and has the capacity to do business with the Bank.
Supplier Diversity Practices	Good Faith Effort Questionnaire	A questionnaire used to collect information from suppliers relative to their organization's good faith efforts to include minorities and women in their workforce and subcontracting opportunities, as applicable. Must be completed for all acquisitions \$50,000 or greater.
	Diversity Spend	The amount of money that the Bank pays to certified diverse suppliers for goods and services. Diversity spend is a key measurement of the Bank's supplier diversity program and is often stated as a percent of the Bank's total reportable spend.
	Diversity Spend – 2 nd Tier	Money spent by the Bank's prime suppliers to diverse 2 nd tier suppliers (subcontractors) for goods and services as part of a Bank contract.
	Opportunity	Bank's practice to include qualified diverse suppliers in the Bank's bidding process.
	Outreach	Outreach is a vehicle for connecting the Bank with qualified diverse suppliers, either directly or through other organizations.



Federal Reserve Bank of Cleveland

Appendix G: Business Areas Supplier Diversity Tool Kit

The Supplier Diversity Tool Kit contains templates and added resources for business functions.

Tools	
Request for Procurement Assistance	PSST/PACER/CAPS Mailbox
Ariba and Opportunity Reporting	<ul style="list-style-type: none"> • Supplier Diversity Opportunity Report • Supplier Diversity Spend Report
CAPS Templates	<p>3.5 Waiver Form</p>  <p>3.5 Waiver Form - 10-11-12 - Revised -</p> <p>Competition Waiver Form</p>  <p>Competition Waiver Form (1) Final-1-30-1</p> <p>A305 Contractors Qualification</p>  <p>A305 - Working - Contractor Qualificati</p> <p>B305 Architects Qualification Statement</p>  <p>B305 Architect Qualification.docx</p>
List of Qualified Diverse Suppliers	<p>Contained in the Procurement Strategic Supplier Tool (PSST).</p> <p>https://4site.clev.frb.org/ITSapps/VendorManagement/index.cfm</p>
Supplier Diversity Frequently Asked Questions	<p>Answers to Frequently Asked Questions (FAQ) on Supplier Diversity</p>  <p>Supplier Diversity FAQ's.docx</p>

B. EEO-1 Report

co= 1231043
u= 1231043

EQUAL EMPLOYMENT OPPORTUNITY
2012 EMPLOYER INFORMATION REPORT
CONSOLIDATED REPORT - TYPE 2

Unclassified

SECTION B - COMPANY IDENTIFICATION

1. FEDERAL RESERVE BANK OF CLEVELAND
1455 EAST SIXTH STREET
CLEVELAND, OH 44114

2.a. FEDERAL RESERVE BANK OF CLEVELAND
1455 EAST SIXTH STREET
CLEVELAND, OH 44114

SECTION C - TEST FOR FILING REQUIREMENT

1-Y 2-N 3-Y DUNS NO.:004454450

c. Y

SECTION E - ESTABLISHMENT INFORMATION

NAICS:

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO											OVERALL TOTALS		
	MALE	FEMALE	***** MALE *****							***** FEMALE *****						
			WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES	
EXECUTIVE/SR OFFICIALS & MGRS	0	0	8	1	0	0	0	0	4	0	0	0	0	0	0	13
FIRST/MID OFFICIALS & MGRS	1	0	88	6	0	2	1	1	52	12	0	0	0	0	0	163
PROFESSIONALS	4	2	251	16	1	12	1	1	162	25	0	16	0	2	493	
TECHNICIANS	0	0	1	3	0	1	0	0	1	3	0	0	0	0	9	
SALES WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ADMINISTRATIVE SUPPORT	0	2	37	13	0	2	0	0	83	45	0	2	0	0	184	
CRAFT WORKERS	2	0	31	4	0	0	0	0	0	0	0	0	0	0	37	
OPERATIVES	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2	
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SERVICE WORKERS	2	0	59	10	1	0	1	0	4	2	0	0	0	0	79	
TOTAL	9	4	477	53	2	17	3	2	306	87	0	18	0	2	980	
PREVIOUS REPORT TOTAL	8	4	508	58	2	15	2	1	370	109	0	14	1	2	1094	

SECTION F - REMARKS

DATES OF PAYROLL PERIOD: 09/01/2012 THRU 09/15/2012

SECTION G - CERTIFICATION

CERTIFYING OFFICIAL: **NAME IS ON FILE**
EEO-1 REPORT CONTACT PERSON: **NAME IS ON FILE**
EMAIL:

TITLE:
TITLE:
TELEPHONE NO:

CERTIFIED DATE[EST]: 09/27/2012 03:46 PM

C. 2011 Employers Survey on Diversity Individual Scorecard



**2011 Employers Survey on Diversity
Individual Scorecard
Federal Reserve Bank of Cleveland**

Legend

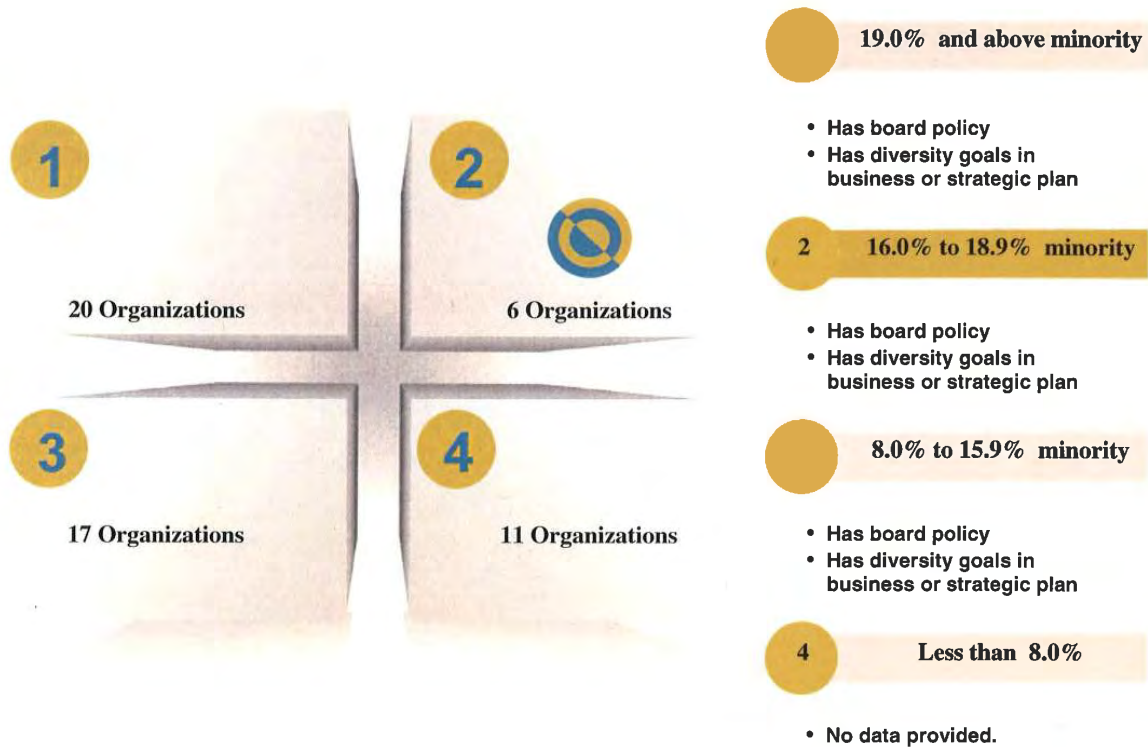


Your organization is in this quadrant and has accomplished both the quantitative and qualitative requirements



Your organization is in this quadrant and accomplished the quantitative requirements but has not accomplished one or more of the qualitative requirements

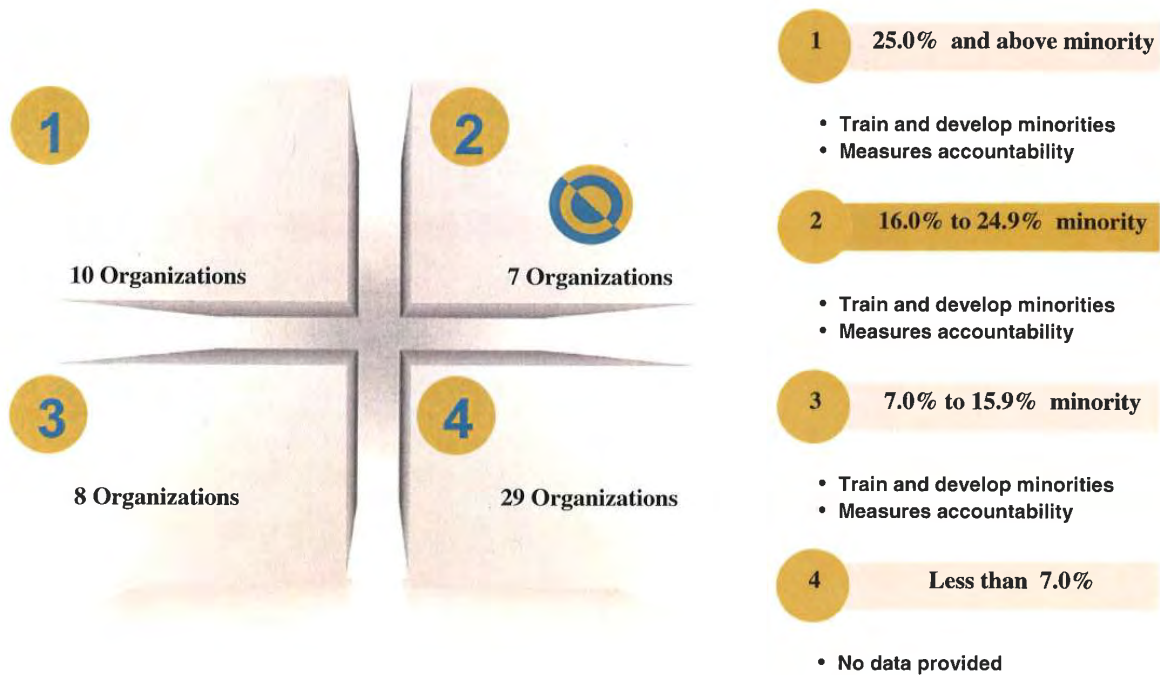
Board of Directors (Minority Representation)



Survey Results For This Area (Minority Representation)

- | | |
|--|-------|
| • Commission Aggregate Non-Profit: | 16.3% |
| • Your Organization: | 17.4% |
| ◦ Written board policy on diversity and inclusion? | Y |
| ◦ Does business plan include diversity management goals? | Y |

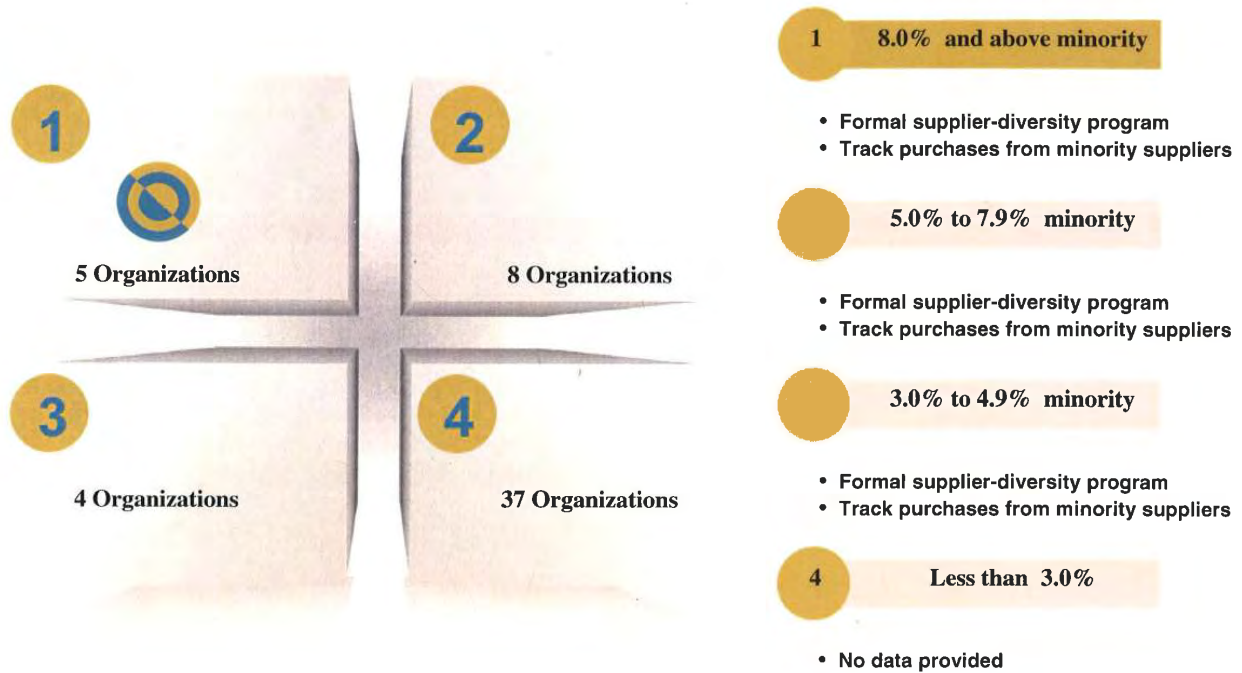
Senior Management (Minority Representation)



Survey Results For This Area (Minority Representation)

- Commission Aggregate Non-Profit: 16.5%
- Your Organization: 16.1%
 - Written policies toward the development of minorities? Y
 - Managers held accountable through performance appraisals? Y

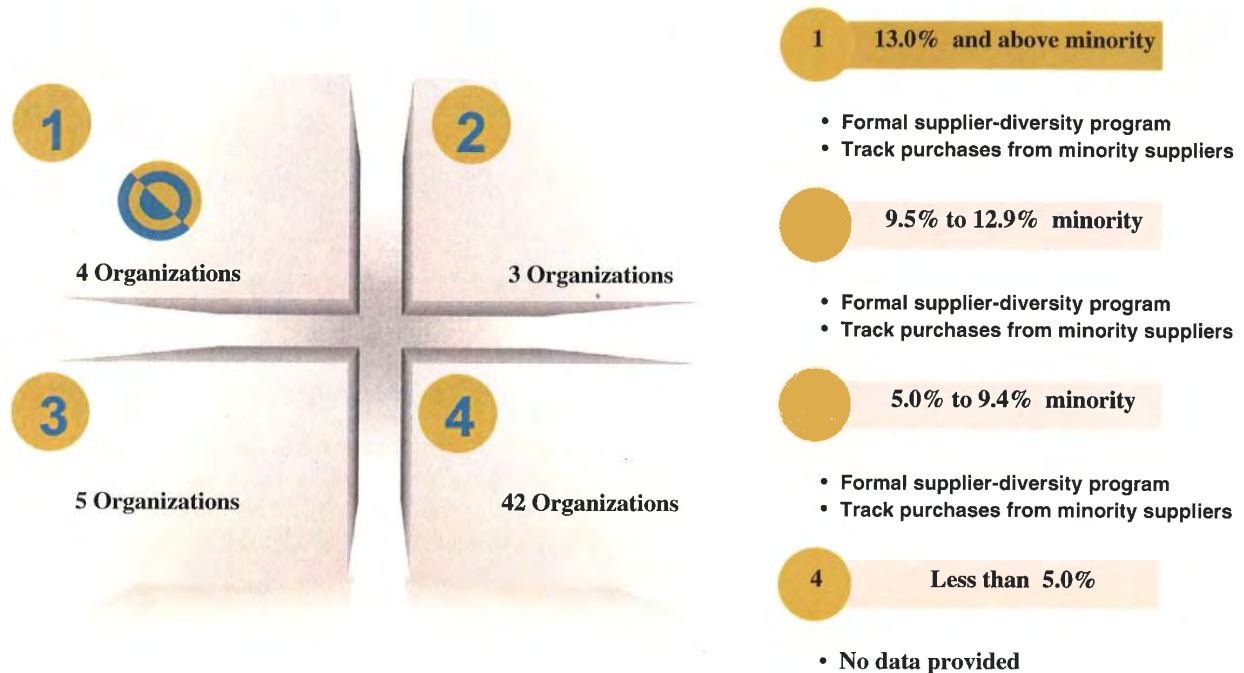
Supplier-Diversity Spend (Total)



Survey Results For This Area (Minority Representation)

- | | |
|--|-------|
| • Commission Aggregate Non-Profit: | 5.6% |
| • Your Organization: | 10.2% |
| ◦ Formal supplier-diversity program? | Y |
| ◦ Track purchases from minority vendors and suppliers? | Y |

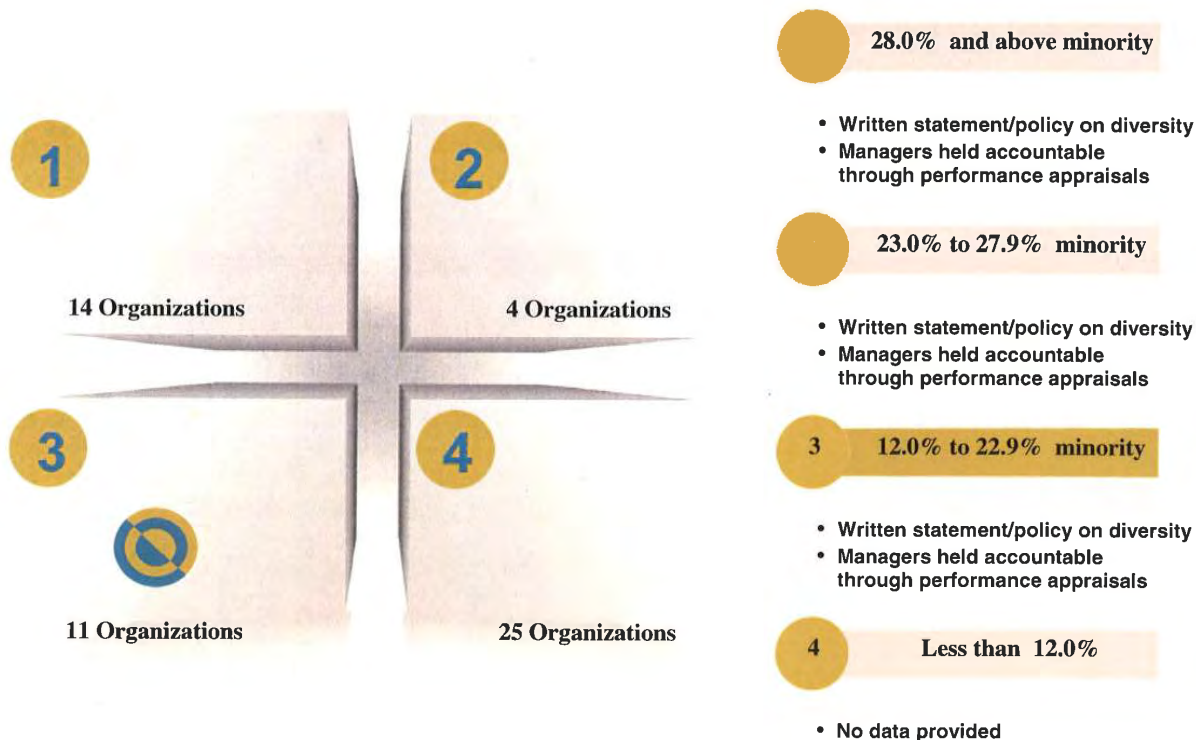
Supplier-Diversity Spend (Regional)



Survey Results For This Area (% of Regional Budget Spent With Minority Suppliers)

- | | |
|--|-------|
| • Commission Aggregate Non-Profit: | 9.5% |
| • Your Organization: | 20.2% |
| ◦ Formal supplier-diversity program? | Y |
| ◦ Track purchases from minority vendors and suppliers? | Y |

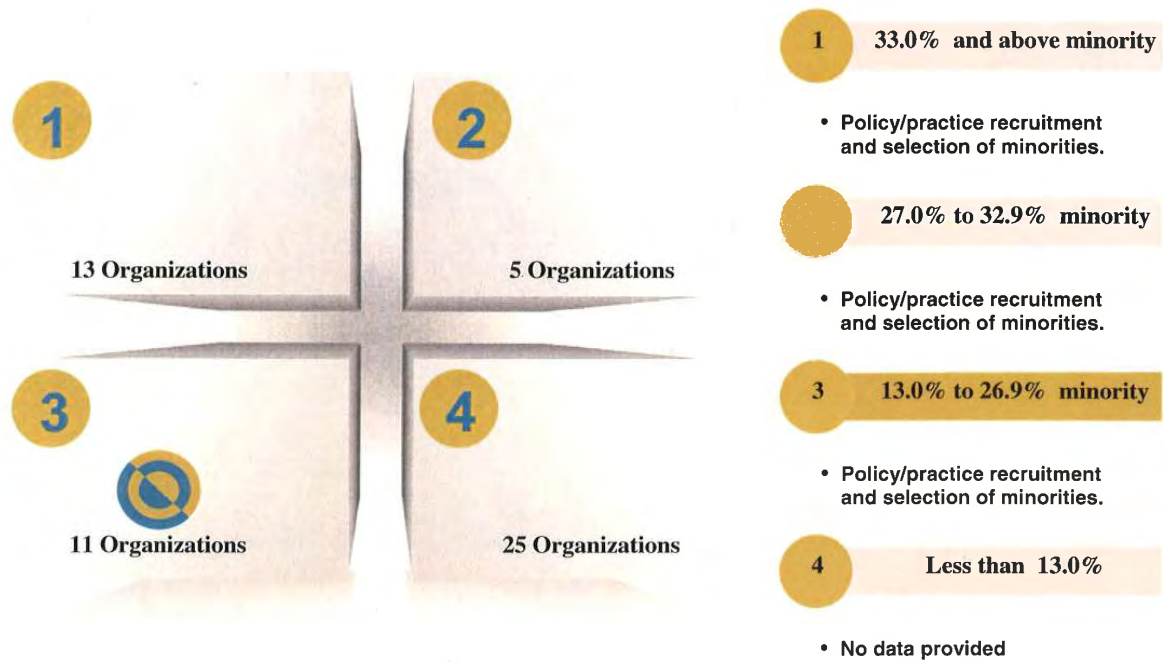
Work Force(Minority Representation)



Survey Results For This Area (Minority Representation)

• Commission Aggregate Non-Profit:	23.5%
• Your Organization:	20.6%
◦ Written statement/policy on diversity?	Y
◦ Managers held accountable through performance appraisals?	Y

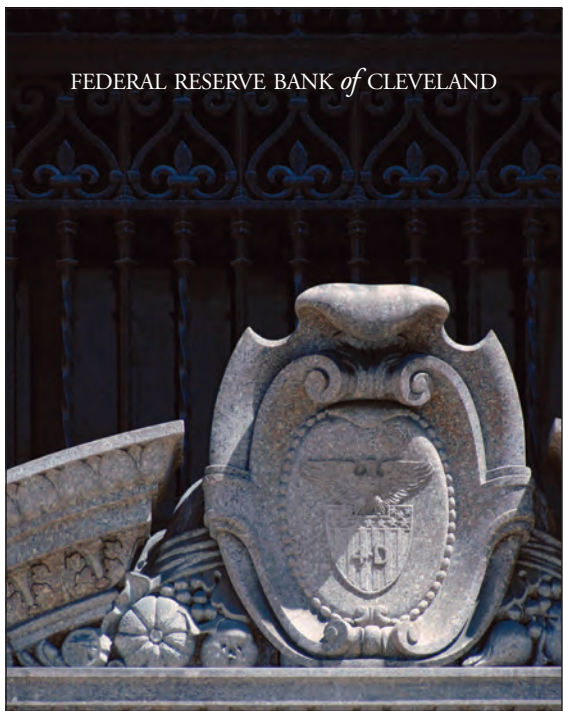
New Hires (Minority Representation)



Survey Results For This Area (Minority Representation)

- Commission Aggregate Non-Profit: 27.0%
- Your Organization: 23.0%
 - Written policy for recruitment/selection of minorities? Y

D. Diversity and Inclusion Ads



The Federal Reserve Bank of Cleveland is committed to promoting inclusion in its procurement practices, its talent acquisition efforts, and its financial education initiatives. We foster innovation through diversity of background, thought, and experience.

Learn more about our commitment to diversity and inclusion.

Visit our website.

www.clevelandfed.org

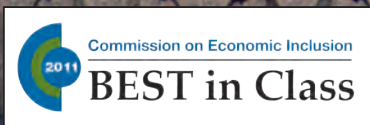


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FEDERAL RESERVE BANK *of* CLEVELAND

Supplier Diversity Summit

Tuesday, July 31, 2012

9:30 am – 2:30 pm

Federal Reserve Bank of Cleveland

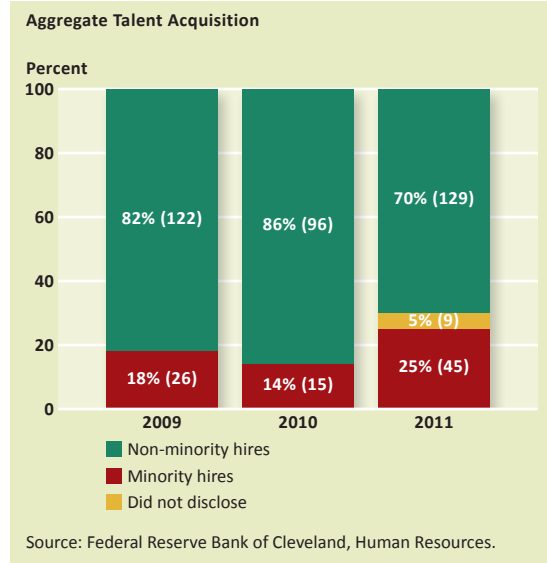
1455 East Sixth Street

Cleveland, OH 44114

E. Minority and Women Employment Data Revision

Reference: Page 12, third paragraph of the 2011 OMWI Annual Report to Congress.

Another accomplishment is an increase in the hiring of minorities from 18 percent in 2009 to 25 percent in 2011.¹



1. The data previously submitted for 2011, 23 percent (43) and 77 percent (140) were revised, which resulted in an increase in the number of minority hires.

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