CHIPS for America includes the CHIPS Program Office, responsible for semiconductor incentives, and the CHIPS Research and Development Office, responsible for R&D programs. Both sit within the National Institute of Standards and Technology (NIST) at the Department of Commerce.

NIST promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. NIST is uniquely positioned to successfully administer the CHIPS for America program because of the bureau’s strong relationships with U.S. industries, its deep understanding of the semiconductor ecosystem, and its reputation as fair and trusted.

Visit [https://www.chips.gov](https://www.chips.gov) to learn more.
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EXECUTIVE SUMMARY

The CHIPS Incentives Program, authorized by section 9902 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (“CHIPS Act”), aims to strengthen U.S. economic and national security, including economic resilience and competitiveness, through long-term growth and economic sustainability in the domestic semiconductor industry while also investing in American workers. The CHIPS Incentives Program is administered by the CHIPS Program Office within the National Institute of Standards and Technology (NIST) of the United States Department of Commerce (Department).

The CHIPS Incentives Program seeks to assure a sufficient, sustainable, reliable, and secure domestic semiconductor ecosystem, including for economic and national security needs and critical industries through the construction, expansion, and modernization of semiconductor facilities. The CHIPS Incentives Program can provide funding for eligible projects via direct funding (grants, cooperative agreements, or other transactions), loans, and loan guarantees. The financial assistance is intended to incentivize investment related to fabrication, assembly, testing, packaging, or production of semiconductors, materials used to manufacture semiconductors, or semiconductor manufacturing equipment.

For the CHIPS Incentives Program to be successful, the domestic semiconductor industry must enable and sustain a vibrant domestic industry that supports quality jobs, a skilled and robust workforce, and a diverse supplier base of large and small firms, while supporting a high-volume semiconductor manufacturing and benefiting the broader U.S. economy.

In implementing the CHIPS Incentive Program, the CHIPS Program Office aims to support Congress’ goal to build a stronger and more secure future as well as the following principles, as set forth in the CHIPS and Science Act, to

- Strengthen the security and resilience of the semiconductor supply chain, including by mitigating gaps and vulnerabilities
- Provide a supply of secure semiconductors relevant for national security.
- Strengthen the leadership of the United States in semiconductor technology.
- Grow the economy of the United States and support job creation in the United States.
- Bolster the semiconductor and skilled technical workforces in the United States.
- Promote the inclusion of economically disadvantaged individuals and small businesses.
- Improve the resiliency of the semiconductor supply chains of critical manufacturing industries.

The CHIPS Program Office offers this Creating Inclusive Opportunities for Businesses Guide as a resource for applicants responding to the amended Notice of Funding Opportunity (NOFO) dated June 23, 2023, for the construction, expansion, or modernization of commercial facilities for (a) the front- and back-end fabrication of leading-edge, current, and mature node semiconductors; (b) wafer manufacturing; and (c) semiconductor materials and manufacturing equipment for which the capital investment equals or exceeds $300 million. This Guide is meant to supplement the NOFO and is for informational purposes only.

Under the CHIPS Act, and as stated in the NOFO, applicants for CHIPS funding must document the broader impacts of the proposed project, including how the applicant intends to address
Creating Inclusive Opportunities for Businesses Guide

the inclusion of small businesses, minority-owned businesses, veteran-owned businesses, and women-owned businesses through a supplier diversity plan. The Department strongly supports diversity, equity, inclusion, and accessibility (DEIA), and firmly believes that the semiconductor industry cannot succeed unless all Americans have an opportunity to participate, including communities and individuals that have historically been underrepresented in the industry.

The CHIPS Program Office is looking for applications with a supplier diversity plan that features a plan to track supplier diversity, sets targets, and conducts outreach in coordination with community partners. This Guide provides examples of strategies applicants can use to address the opportunity and inclusion goals outlined in the CHIPS Act and NOFO. This Creating Inclusive Opportunities for Businesses Guide includes:

- An overview of the value of supplier diversity in the semiconductor industry
- Strategies for developing diverse supplier bases
- Guidance for application submission as it relates to the supplier diversity plan
- An Appendix with numerous resources on industry-specific supplier diversity

The following guide is for informational purposes only and is intended solely to assist potential applicants in better understanding the CHIPS Incentives Program and the application requirements set forth in the NOFO. The guide does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, and the requirements set forth in the NOFO, shall prevail over any inconsistencies contained in the below guide.

Any reference to a non-federal organization or corporation does not convey endorsement or approval by the Department of Commerce of the entity or their programs or resources. All examples provided are for illustrative, non-exhaustive purposes only. The Department of Commerce does not guarantee the accuracy or completeness of the information contained therein.
MESSAGE FROM THE SECRETARY

Thanks to President Biden’s leadership and bipartisan work with Congress, the Commerce Department is investing approximately $50 billion to boost U.S. semiconductor manufacturing, bring supply chains back to our shores, and create good-paying jobs in communities across the country. The CHIPS for America program is a historic opportunity to unleash the next generation of innovation, protect our national security, and solidify America’s technological leadership for decades to come.

In doing so, the Commerce Department and the entire Biden Administration are committed to ensuring that CHIPS for America investments benefit small businesses, as well as minority-owned, women-owned, and veteran-owned businesses. If we want our country to reach its full economic potential, we need to invest in our workers and entrepreneurs, particularly those that have traditionally been left out or left behind.

I know firsthand that investing in women-owned and minority-owned businesses makes our economy and nation more competitive. Today, it’s far too difficult for minority business enterprises and entrepreneurs to access the capital they need to expand their workforce, launch a new line, or start exporting their products. Access to capital is the number one issue I hear from minority business owners, which is why we need to need to make sure our investments create opportunities that can be accessed by all businesses.

Investing in minority owned businesses doesn’t just help entrepreneurs, it helps workers and creates more jobs for Americans. Our country has more than nine million minority-owned firms that employ eight million workers and contribute $1.7 trillion to the economy. They are crucial towards driving opportunity, jobs, and prosperity throughout America.

To unlock the full potential of our economy, we also need to get more women into the workforce. Women account for more than half of the U.S. population, yet they make up less than 10 percent of jobs in the trades. These are good paying jobs with benefits that women can do and do well. That’s why I launched the Million Women in Construction initiative to double the number of women in the trades over the next decade.

As we implement the CHIPS for America program, the Commerce Department also aims to ensure there are inclusive pathways to meet the industry’s need for suppliers and to connect small businesses, minority-owned, women-owned, and veterans-owned businesses with mutually beneficial partnerships. We firmly believe that the semiconductor industry cannot succeed unless it is diverse, equitable, inclusive, and accessible to all Americans.

This Creating Inclusive Opportunities for Businesses Guide offers supplemental information to applicants as they respond to the February 2023 CHIPS Incentives Program Notice of Funding Opportunity.

In order to create a robust, vibrant, and diverse semiconductor ecosystem in America, we will make sure small businesses, minority-owned, women-owned, and veteran-owned businesses have an opportunity to be a part of this unprecedented mission.

Secretary Gina Raimondo
1. VALUE OF SUPPLIER DIVERSITY IN THE SEMICONDUCTOR INDUSTRY

The CHIPS Program Office is committed to building strong communities that share in the prosperity of the semiconductor industry. This includes generating broad-based benefits for women, people of color, and other minorities that often face barriers to accessing economic opportunities.4

The Department aims to ensure there are inclusive pathways to meet the industry’s need for suppliers and to connect small businesses, minority-owned, women-owned, and veteran-owned businesses with mutually beneficial partnerships. The Department firmly believes that the semiconductor industry cannot succeed unless it is diverse, equitable, inclusive, and accessible to all Americans.5

A primary component of creating inclusive opportunities for businesses within the semiconductor industry is supplier diversity, which is a business strategy built on the inclusion of diverse-owned businesses in the procurement of goods and services within an organization.6 A diverse business is one that is at least 51% owned by an individual or group who belongs to a traditionally underserved group. Diverse suppliers are commonly categorized as minority businesses enterprises (MBEs) and woman’s business enterprises (WBEs), but this has expanded over time to other minority groups such as LGBTQ individuals, veterans, and proprietors with disabilities.7 Supplier diversity has considerable community impacts, contributing to job creation, community vitality, and economic empowerment.8

Supplier diversity can also be utilized as a corporate growth strategy by promoting supply chain resiliency, driving innovation, and securing stakeholder satisfaction. Overall, companies with established supplier diversity programs have noted that most of their diverse suppliers are outperforming their non-diverse competitors, confirming their intrinsic value.9

In addition, an inclusive procurement strategy expands the pool of potential suppliers in an already strained supplier base, which promotes competition, product quality, and lower costs.

Partnering with small businesses, minority-owned, women-owned, and veteran-owned businesses also allow for an influx of new ideas and perspectives that are not present when companies seek partnerships exclusively with the same group of businesses.

By understanding the current market, NOFO applicants bolster their ability to provide meaningful supplier diversity plans. Applicants may consider expanding their understanding of supplier diversity beyond traditional suppliers, considering how business opportunities can incorporate sub-suppliers, indirect suppliers, and service providers. Small, minority-owned, veteran-owned, and women-owned businesses can provide a range of services, as listed on the following page.
Examples of Services and Supplies that Can Be Procured

| Accounting and Site Planning Support | • Accounting | • Legal |
| Computing and Networking | • Hosting Infrastructure | • Telecommunications |
| Construction Materials and Services | • Security | • Furniture |
| • Café Services | |
| Employee Services | • Local Lodging | • On-Site or Off-Site Childcare |
| • Catering | • Transportation |
| Factory Materials and Supplies | • Chemicals | • Clean-Room Flooring |
| • Fabrications | • Clean-Room Suits |
| • Gas | |
| HR Services | • Events | • Relocation |
| • Temp Staffing | • Travel |
| Environmental Services | • Landscaping | • Cleaning |
| Logistics and Transportation | • Warehousing | • Freight |
| • Third-Party Logistics (3PL) | |
| Maintenance | • Equipment Maintenance | • Building Maintenance |
| Office Supplies and Services | • Printing | • Packaging |
| Sales and Marketing | • Advertising | • Market Research |
| • Event Spaces | |

2. SUPPLIER DIVERSITY PLAN

2.1 IDENTIFY AND CATEGORIZE SUPPLIERS

Best practices that may be employed in developing strategies for inclusive opportunities for small, minority-owned, veteran-owned, and women-owned businesses are detailed below.

As applicants develop their supplier diversity plan, they may consider how they can factor in business diversity principles. Business diversity can be considered as a step beyond supplier diversity, as it branches out from the traditional procurement cycle and the industrial economy toward professional services. Business diversity focuses on practical approaches that produce tangible results, including closing wealth and opportunity gaps.10

The Department encourages companies to fully expand their supplier base with a wide array of businesses, including small businesses, minority-owned, women-owned, and veteran-owned businesses. Definitions for these businesses are listed below:

- **Minority-Owned Business**: A business where not less than 51 percent of the ownership or control of which is held, directly or indirectly, by one or more minority individuals; and not less than 51 percent of the net profit or loss of which accrues to one or more minority individuals.
GUIDANCE FROM THE NOFO:

The CHIPS Incentives Program strives for the inclusion of minority-owned businesses, veteran-owned businesses, women-owned businesses, and small businesses as part of any funded project. Applicants should explain how they will address this priority, and strong applications will outline proactive efforts to include such businesses in a project’s construction and production supply chain, as well as robust outreach plans for engaging with minority-owned, veteran-owned, women-owned, and small businesses.

- **Veteran-Owned Business:** A business where not less than 51 percent of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans and the management and daily business operations of which are controlled by one or more veterans.
- **Women-Owned Business:** A business where not less than 51 percent of the ownership or control of which is held, directly or indirectly, by one or more women; and not less than 51 percent of the net profit or loss of which accrues to one or more women.

GUIDANCE FROM THE NOFO:

The applicant may also describe broader commitments to diversity and inclusion, including diversity of its existing suppliers, as well as supplier diversity commitments made as part of state and local government incentives.

Applicants might consider reviewing their current supply base to produce an analysis of its present state of supplier diversity. Applicants may consider joining certification organizations or industry groups, which can assist with match-making opportunities, supplier development, and access to communication platforms and databases.

Applicants may also consider developing a baseline of their supplier spend and determine how much is addressable spend, which is the portion of overall spending that can be managed and improved through strategic sourcing and procurement decision-making (See Section A.3.1 for additional details).

Applicants are encouraged to seek out ways to secure reliable data on their existing supplier and new supplier base. This can be accomplished through third-party certification or an established self-certification process for suppliers. There are multiple types of business certifications that align with the standards for minority-owned, veteran-owned, and women-owned businesses, which are outlined below. Note that the eligibility criteria for the following types of businesses vary between federal agencies, states, and municipalities.

**Small Businesses**

Extending opportunities to small businesses is essential to increasing accessibility within the semiconductor industry. The Small Business Administration (SBA) sets size standards for businesses, which define the largest size a business can be to participate in government contracting programs and compete for contracts reserved or set aside for small businesses.\footnote{Size standards vary by industry and are generally defined either in terms of the average number of employees over the past 24 months or average annual receipts over the past five years. Because all federal agencies use SBA’s size standards, it
SELF-CERTIFICATION

Applicants may consider setting up a process for existing suppliers and new suppliers to self-certify that not less than 51 percent of the ownership or control is held, directly or indirectly, by one or more minority individuals, veterans, or women; and not less than 51 percent of the net profit or loss of which accrues to one or more minority individuals, veterans, or women. Applicants may consider having these self-certified businesses sign an affidavit affirming their minority-, veteran-, or women-owned status.

is important for small businesses to determine their industry classification as according to the North American Industrial Classification System (NAICS) code so that they can be properly identified as “small” for their particular industry. Small business size regulations can be found in Title 13 Part 121 of the Electronic Code of Federal Regulations.12

SBA defines a U.S. small business concern as one that is:

• Organized for profit.
• Has a place of business in the U.S.
• Operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor.
• Is independently owned and operated.
• Is not dominant in its field on a national basis.13

The business may be a sole proprietorship, partnership, corporation, or any other legal form.

8(a) Program Participants, Small Disadvantaged Businesses, and Minority Business Enterprises

The 8(a) Business Development program is a nine-year SBA program intended to help firms owned and controlled by socially and economically disadvantaged individuals.14 8(a) certified businesses are eligible to receive federal contracting preferences through sole-source and competitive set-aside contracts as well as receive training and technical assistance.15 Small businesses owned by Alaska Native corporations, Community Development corporations, Indian tribes, and Native organizations are also eligible to participate in the program.

Small businesses, including graduates of the 8(a) program, can also self-certify as a Small Disadvantaged Business (SDB) in SAM.gov16 if they meet the following criteria:

• The firm must be 51% or more owned and controlled by one or more disadvantaged persons.
• The disadvantaged person or persons must be socially disadvantaged and economically disadvantaged.
• The firm must be small, according to SBA’s size standards.17

The Minority Business Development Agency (MBDA) serves minority business enterprises (MBEs) as defined in the Minority Business Development Act of 2021.18 In short, MBEs are businesses that are owned or controlled by one or more socially or economically disadvantaged individuals. There are no size requirements in the definition of an MBE under the Act. (See Section 3.6 for more information on the MBDA).19

There are also private certifications that can be leveraged. For example, the National Minority Supplier Development Council (NMSDC) has its own certification for MBEs to help them connect
with private sector buyers. NMSDC defines minority group members as U.S. citizens who are Asian-Indian, Asian-Pacific, Black, Hispanic, and Native American. MBEs are at least 51% owned by minority individuals or, in the case of publicly owned businesses, at least 51% of the stock are owned by one or more such individuals.20

Veteran-Owned Small Businesses, Service-Disabled Veteran-Owned Small Businesses, and Veteran-Owned Businesses

Veteran-Owned Small Businesses (VOSBs) can apply for certification by the SBA to compete for federal sole-source and set-aside contracts at the Department of Veterans Affairs under the Vets First program. To participate, a business must:

• Have at least 51% veteran ownership.
• Be registered as a small business with SAM.gov.
• Be a small business according to SBA’s size standards.21

Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) can also apply for certification by the SBA to make their business eligible to compete for sole-source and set-aside contracts in the SDVOSB program, which is applicable government-wide. A Service-Disabled Veteran is a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable, and whose disability was incurred or aggravated in line of duty in the active military, naval, or air service. The veteran must have an adjudication letter from the Veterans Administration (VA), a Department of Defense Form 214, Certificate of Release or Discharge from Active Duty, or a Statement of Service from the National Archives and Records Administration, stating that the veteran has a service-connected disability.22

There are also private certifications for veteran-owned businesses (VOBs) in general. VOBs can be certified for private sector contracts through advocacy groups such as the National Veteran Business Development Council (NVBDC) and the National Veteran-Owned Business Association (NaVOBA). VOBs can also pursue certification by state and local governments for state and local contracts.

Women-Owned Small Businesses and Women Business Enterprises

Women-Owned Small Businesses (WOSBs) can be certified by the SBA to participate in the WOSB program. To participate, a business must:

• Be a small business according to SBA size standards.
• Be at least 51% owned and controlled by women who are U.S. citizens.
• Have women manage day-to-day operations who also make long-term decisions.

Economically Disadvantaged Women-Owned Small Businesses (EDWOSBs) can also be certified by the SBA to participate in the EDWOSB program. To qualify, a business must:

• Meet all the requirements of the WOSB Federal Contract program.
• Be owned and controlled by one or more women, each with a personal net worth less than $850,000.
• Be owned and controlled by one or more women, each with $450,000 or less in adjusted gross income averaged over the previous three years.
• Be owned and controlled by one or more women, each $6.5 million or less in personal assets.23

The SBA offers formal certification for the WOSB program, and the SBA also approves organizations to provide third-party certification.
Creating Inclusive Opportunities for Businesses Guide

(TPC) for WOSBs. An up-to-date list can be found on the SBA's Women-Owned Small Business Federal Contract program webpage. Currently, there are four organizations approved by SBA to provide TPC for WOSBs: El Paso Hispanic Chamber of Commerce, National Women Business Owners Corporation, U.S. Women’s Chamber of Commerce, and the Women’s Business Enterprise National Council (WBENC).24

There are also private certifications for women-owned businesses in general. Women Business Enterprises (WBEs) can be certified for private sector contracts and some state and local government contracts through the WBENC, which validates that a business is at least 51% owned, controlled, operated, and managed by a woman or women.25 Some state and local agencies offer their own certification processes for WBEs for state and local contacts.

**Indian Tribes, Alaska Native Corporations, and Native Hawaiian Organizations**

An Indian tribe means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C. 1452(c). This definition also includes Indian-owned economic enterprises that meet the requirements of 25 U.S.C. 1452(e).

An Alaska Native Corporation (ANC) refers to any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, et seq.) and what is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1262(e)(1). This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626(e)(2). 13 CFR 124.109 outlines the initial eligibility requirements for ANCs and Tribes. Both ANCs and Indian tribes are eligible for the 8(a) program.

A Native Hawaiian Organization (NHO) is any community service organization serving Native Hawaiians in the State of Hawaii which 1) is a nonprofit corporation that has filed articles of incorporation with the director (or the designee thereof) of the Hawaii Department of Commerce and Consumer Affairs, or any successor agency, 2) is controlled by Native Hawaiians, and 3) whose business activities will principally benefit such Native Hawaiians.26 Economically disadvantaged NHOs as well as companies owned by such NHOs can apply for the 8(a) program.

The Department of the Interior’s Office of Native Hawaiian Relations maintains a list of NHOs that applicants may find helpful.27 Applicants may also contact the Office of Native Hawaiian Relations to obtain an Excel version of the Native Hawaiian Organization Notification List.

**Historically Underutilized Business Zones and Opportunity Zones**

Applicants may be inclined to include businesses located in Historically Underutilized Business Zones (HUBZones) and Opportunity Zones in their supplier diversity plan. The Department does not consider such businesses as “diverse” or “disadvantaged” simply for being in a HUBZone or Opportunity Zone.

A map of the HUBZones can be found on SBA’s website.28 To qualify for the HUBZone program, a business must:
• Be a small business according to SBA size standards.
• Be at least 51% owned and controlled by U.S. citizens, a Community Development corporation, an agricultural cooperative, an ANC, an NHO, or an Indian tribe.
• Have its principal office located in a HUBZone.
• Have at least 35% of its employees living in a HUBZone.29

Opportunity Zones are an economic development tool that allows people to invest in distressed areas in the United States in order to spur economic growth and job creation in low-income communities while providing tax benefits to investors.30 Qualified Opportunity Zone locations are defined by population census tracts, and a map of Qualified Opportunity Zones can be found on the Department of Housing and Urban Development (HUD)’s website.31

2.2 ESTABLISH PROGRAM TARGETS

After assessing its current state of supplier diversity, applicants may consider issuing a policy statement with measurable targets (e.g., $X in small, minority-owned, veteran-owned, or women-owned supplier spend by 2030). There are various ways applicants can set their program targets: spend terms (e.g., increasing diverse spend from $X to $X or reaching a $X spending target within a set number of years), supplier count goals (e.g., doubling within X years), or an overarching one (e.g., every product category will include representation from a small, minority-owned, veteran-owned, and women-owned business, and every formal RFP will include a small, minority-owned, veteran-owned, and women-owned business). Applicants should consider determining whether their program will include tier 1 and/or tier 2 suppliers (or additional supply chain layers).32

Some companies have found success by ensuring that this policy statement – and by extension, the supplier diversity program as a whole – is endorsed top-down, with strong executive support and buy-in. Applicants may consider making the policy statement public and visible on platforms (e.g., company website) to establish their commitment to supplier diversity and alert small businesses, minority-owned, women-owned, and veteran-owned businesses.

Track and Report Supplier Diversity Data

As applicants create systems to track and disclose data on supplier diversity, they may consider developing a database or tracking system. A best practice is to ensure the system can record data over time, certifications, spend and other items. Additionally, to support the disclosure of data, the system should have reporting or querying capabilities. Applicants are encouraged to capture the following metrics, as applicable:

Tier 1 Diverse Spend: The most common metric for supplier diversity and what the CHIPS
GUIDANCE FROM THE NOFO:

The applicant should also describe how it will track and disclose data on supplier diversity that is demographically disaggregated (e.g., race, ethnicity, gender, veteran status), including statistics on what share of suppliers are majority-owned by different groups. As part of this component, the applicant should describe other proactive commitments to supplier diversity as described in Section I.C.6 and how it will work with contractors to collect the necessary data.

Program Office recommends tracking is diverse spend, which measures the procurements made solely with small businesses, minority-owned, women-owned, and veteran-owned businesses; and enhanced data that is disaggregated by race and ethnicity (e.g., spend with a firm that is Native American-owned). This metric is often expressed in a dollar amount, or a percentage of total procurement spend.

**Tier 2 Diverse Spend**: Applicants should consider whether they would want to expand beyond measuring their tier 1 spend, and request tier 1 suppliers to report their diverse spend (tier 2). If applicants wish to track diverse spend beyond tier 1 suppliers, applicants should consider starting off with a subset of their tier 1 suppliers.

**Supplier Count**: Applicants can consider tracking the number of suppliers they have registered in their procurement or accounts payable systems, including the share of these suppliers that are small, minority-owned, veteran-owned, and women-owned businesses; and enhanced data that is disaggregated by race and ethnicity (e.g., share of total suppliers that are Native American-owned).

**Financial ROI**: Applicants may also consider tracking their financial ROI from their supplier diversity program. Metrics include revenue from customers with diverse spend requirements, economic impact, dollars saved by using less costly small businesses, minority-owned, women-owned, and veteran-owned businesses, and grants received related to having a successful diversity program.

The supplier survey collects the following information, and scores (green-yellow-red scale) indicate how healthy the supplier feels about their relationship with the company:

- Likelihood of using the company’s supplier diversity team as an advocate.
- Number of RFQs they have received from the company’s buyers.
- Supplier’s sales forecast based on current contracts and trends in contract pipeline with company.
- Last date they had business alignment meeting with buyer at company.

The internal survey for commodity managers collects the following information and provides insight into the health of the supplier diversity program as a whole:

- Likelihood of including new and identified diverse suppliers on bid list.
- Timeline for including new and identified diverse suppliers on upcoming bids.
- Likelihood of establishing growth plan for identified diverse plans.
Workforce Metrics: Applicants could track the suppliers’ workforce metrics, including job creation, hiring and promotion to quantify the broader impact of their supplier diversity program.

Community Impact: Applicants might also consider measuring the value of supplier diversity more broadly in value to local communities. Partnering with a small, minority-owned, veteran-owned, or women-owned business could in turn grow local employment and wages in disadvantaged communities, building generational wealth and local capital.

Qualitative Metrics: Applicants can also consider collecting qualitative metrics, such as the quality of a company’s relationship with their small businesses, minority-owned, women-owned, and veteran-owned businesses. For example, one company surveyed in MIT CTL’s 2021 Supply Chain Exchange Roundtable report described using a survey tool, modeled on the Net Promoter Score (NPS) concept of assessing customers’ perceptions of companies, that they disseminate to both suppliers and the company’s commodity managers. Their survey tool asks suppliers how likely they are to utilize the company’s supplier diversity team as their advocate, while asking the commodity managers how likely they are to include new suppliers on their bid list.

Progression of Program: Applicants can track the progression of the supplier diversity program itself. Organizations such as the Billion Dollar Roundtable and NMSDC use the RGMA Five Levels™ of Supplier Diversity for benchmarking corporate supplier diversity programs.33 As applicants develop their supplier diversity program, they could gauge which level their current state of supplier diversity falls under and set program targets accordingly.

2.3 FACILITATE OUTREACH WITH SMALL, MINORITY-OWNED, VETERAN-OWNED, AND WOMEN-OWNED BUSINESSES

Strong applicants will develop plans that proactively engage with small businesses, minority-owned, women-owned, and veteran-owned businesses. The current state of supplier diversity often places the burden on small businesses.

RGMA FIVE LEVELS™

RGMA developed five levels of supplier diversity as a standard for benchmarking corporate supplier diversity programs, ranging from an early-stage supplier diversity program to a world-class supplier diversity strategy.
businesses, minority-owned, women-owned, and veteran-owned businesses to navigate the various stakeholders — companies, development and certification agencies, capital resources, and government — in the system. This results in a lack of visibility and access for these businesses, as well as unnecessary expenses for both suppliers and buying corporations. Applicants should also consider that some suppliers may also be hesitant to divulge their minority status out of fear of being undervalued.

2.3.1 Create a Robust Outreach Plan

Applicants should ensure that small, minority-owned, veteran-owned, and women-owned businesses are solicited for construction and production supply chain opportunities and place them on solicitation lists. Applicants may consider establishing their commitment to supplier diversity by participating in regional and national supplier diversity events and coordinating regular benchmarking with other companies to meet and establish best practice standards. This will communicate to small businesses, minority-owned, women-owned, and veteran-owned businesses that the applicant is actively incorporating supplier diversity into its corporate growth strategy and rid any misconceptions that their minority status will hinder their prospective value.

2.3.2 Engage with Community Partners

Applicants may consider engaging with stakeholders and forming and leveraging partnerships with the following to reach small, minority-owned, veteran-owned, and women-owned businesses.

Chambers of Commerce

Applicants may consider connecting with local and minority Chambers of Commerce for locating small, minority-owned, veteran-owned, and women-owned businesses.

GUIDANCE FROM THE NOFO:

Strong applications will include concrete goals for measuring performance of outreach plans. To the extent that the applicant relies on contractors, the Department expects the applicant to work with those contractors to implement supplier diversity efforts and to collect data on program performance.
small businesses to expand their opportunities. Applicants should consider connecting with these agencies to augment their connections with the community, as well as their supplier diversity programs as a whole.

**Minority Depository Institutions**

Applicants can also consider connecting with minority depository institutions\(^3\) (MDIs) in their community partnership strategy. An MDI is any federally insured depository institution for which either 1) 51% or more of the voting stock is owned by minority individuals or 2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority.\(^3\) A “minority” as defined by Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) refers to any person who is Black American, Asian American, Hispanic American, or Native American.\(^3\) More specifically, MDIs are community-based banks or credit unions with minority representation that provide financial services such as loans, mortgages, and banking services, and overall support economic growth within underserved communities. Along with Community Development Financial Institutions (CDFIs), they are also described as “mission driven banks.”

Due to their deep community relationships and an overarching goal of driving economic successes for underserved populations, MDIs can be a vital partner for applicants seeking to locate minority-owned suppliers. FDIC found that compared to other financial institutions, MDIs originate a greater share of mortgages and Small Business Administration loans to borrowers who are minorities and live in low-to-moderate income (LMI) census tracts. The FDIC has released a resource guide for collaborating with MDIs that applicants may find helpful.\(^3\)

**2.3.3 Forecast Future Needs**

Semiconductor companies should be transparent about their upcoming needs from suppliers. This will help small businesses, minority-owned, women-owned, and veteran-owned businesses preemptively gauge whether they are a right fit for that opportunity.

**2.4 INSTITUTE SUPPORTIVE CORPORATE PRACTICES**

Applicants may consider devising a supplier diversity program that treats industry-supplier partnerships as active relationships as opposed to exclusively transactional ones.

**GUIDANCE FROM THE NOFO:**

The applicant should describe how it will coordinate with small, minority-owned, veteran-owned, and women-owned businesses, as well as describe their supplier diversity programs and/or office and any internal staff dedicated to overseeing outreach to such businesses.

**2.4.1 Integrate Inclusive Sourcing and Procurement within Standard Operations**

Applicants can consider integrating inclusive sourcing and procurement processes within their standard operating procedures to avoid downsizing the impact of their supplier diversity program. Applicants may also consider requiring commodity management teams to consider and include small businesses, minority-owned, women-owned, and veteran-owned businesses in RFPs or measuring tier 1 suppliers based on tier 2 reporting of spending with small businesses,
minority-owned, women-owned, and veteran-owned businesses. This encourages inclusive and equitable opportunities for small businesses, minority-owned, women-owned, and veteran-owned businesses throughout the supply chain.

**Assign Dedicated Staff**

Applicants may identify or hire employees responsible to develop and manage the supplier diversity program (e.g., Manager of Supplier Diversity and Inclusion within procurement). Applicants may consider whether they will house their supplier diversity program as a C-level function or under a functional group, which could be front-office (e.g., sales and marketing) or back-office (e.g., procurement). Regardless of where the program is placed, supplier diversity professionals are typically responsible for working with business units or purchasing groups to fulfill supplier diversity priorities. They also work with purchasing and procurement teams to propose new small businesses, minority-owned, women-owned, and veteran-owned businesses to category owners and hold business units or commodity managers accountable for meeting supplier diversity goals.39

**Amend Delivery Schedules to Support Diverse Participation**

Applicants can consider establishing delivery schedules for subcontractors that encourage participation by small, minority-owned, veteran-owned, and women-owned businesses.

**Divide Total Supplier Requirements into Smaller Tasks**

Applicants may consider dividing total requirements, when economically feasible, into smaller tasks or quantities to expand access to participation by minority-owned, veteran-owned, women-owned, and small businesses.

### 2.4.2 Mentorship, Training, and Support

Once suppliers are on board, supplier diversity programs can help suppliers grow to further contribute to the company’s operational excellence, such as outlining areas of improvement and adjustments to improve cost and efficiency. As such, applicants may consider incorporating mentorship and training processes within their supplier diversity program. See Section A.2.1 for additional details.

**Payment Terms**

Many small businesses, minority-owned, women-owned, and veteran-owned businesses are dealing with reduced capital compared to their counterparts, so applicants should consider implementing reduced payment periods (e.g., net-15/30/45 payment periods) or quick payment resolution mechanisms if payments to subcontractors are not rendered on a timely manner.

**Organizational Ombuds Processes**

Applicants may consider implementing an organizational ombuds for dispute resolution processes. Applicants should keep in mind that small businesses, minority-owned, women-owned, and veteran-owned businesses often have less capital and smaller social networks. When conflicts arise small businesses, minority-owned, women-owned, and veteran-owned businesses may therefore hesitate to come forward for fear of jeopardizing their business partnership. An ombuds serves as a designated neutral, confidential, and independent party and provides options for employees, managers, and business partners to deal with concerns and complaints. An ombuds must have some independence from the company, so they generally report directly to the CEO and Board and operate by recognized professional...
standards and a code of ethics set by the International Ombudsman Association (See Section A.3.3 for resources on implementing an organizational ombuds or ombuds office).

Corporations such as American Express Company and Coca Cola have ombuds along with their formal channels, citing a need for an informal but “active” approach to addressing individual concerns while retaining company interests. Ombuds have been credited with avoiding harmful litigation, improving productivity, and protecting against sexual harassment or discrimination claims.40

3. SUBMITTING A SUCCESSFUL SUPPLIER DIVERSITY PLAN

The Department recognizes that the development and implementation of supplier diversity plans are ambitious, long-term efforts that will support the success of the CHIPS Incentives Program. Guidance for the Full Application submission is included in this section; there is no Broader Impacts component for the Statement of Interest submission or the Pre-Application. This section also includes recommendations on how applicants can further the development of the inclusive opportunities for businesses over time.

The supplier diversity plan should demonstrate appropriate investments and commitments to creating inclusive opportunities for small businesses, minority-owned, women-owned, and veteran-owned businesses. Because meeting supplier diversity needs will require ongoing collaboration and coordination across the sector, the Department expects to engage with recipients to support supplier diversity efforts after awards are made.

3.1 SUPPLIER DIVERSITY PLAN GUIDING QUESTIONS

The following sets of questions are intended to help applicants articulate their supplier diversity plan in the final application submission while meeting the guidelines outlined in the June 2023 NOFO. Applicants are not required to submit answers to all these questions. Rather, the questions should be used as a guide.

- Have you defined a baseline of spend and addressable spend that captures your company’s relationship with diverse vendors to date?
- Have you reviewed your contracting policies for onboarding suppliers?
- Have you identified the certification bodies you will partner with? Or have a plan to accept self-certification?
- Have you updated your outreach platforms (e.g., website) about your supplier needs? Is there a clearly outlined process for potential suppliers to register?
- Have you identified a data management system to track your suppliers? Have you identified a team that will manage this system?
- Have you set specific, measurable, achievable, relevant, time-bound goals?
- Have you identified community partners to support outreach to small, minority-owned, veteran-owned, and women-owned businesses?
3.2 FINAL SUBMISSION AND EVALUATION

A potential applicant must submit a full application to be officially considered for a CHIPS Incentive Award. The full application will contain extensive, detailed information on the proposed project(s).

The Department recognizes that developing and implementing a supplier diversity plan takes time and is dependent on other unrelated factors. The Department expects applicants to submit complete supplier diversity plans at the time of full application to the extent possible with the understanding that the plans may evolve and change over time.

As detailed in the NOFO, each applicant must provide an overview of the broader impacts of the proposed project(s), covering each identified topic, including inclusive business opportunities. This section should be no longer than 30 pages, excluding any attachments.

The merit review process will assess the strengths and weaknesses of projects’ supplier diversity plans within the broader impacts section. The assessment of this criterion will consider the 1) Quality and comprehensiveness of the applicant’s strategy for engaging with small, minority-owned, veteran-owned, and women-owned businesses as strategic partners, suppliers, or contractors or subcontractors, and 2) commitment to tracking and disclosing disaggregated data on supplier diversity and contractor/subcontractor diversity.
A.1 ACRONYMS

<table>
<thead>
<tr>
<th>ACRONYM</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>ANC</td>
<td>Alaska Native Corporation</td>
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<tr>
<td>DBE</td>
<td>Disadvantaged Business Enterprise</td>
</tr>
<tr>
<td>DEIA</td>
<td>Diversity, Equity, Inclusion, and Accessibility</td>
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<tr>
<td>DOC</td>
<td>U.S. Department of Commerce</td>
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<tr>
<td>DoD</td>
<td>U.S. Department of Defense</td>
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<tr>
<td>DOE</td>
<td>U.S. Department of Energy</td>
</tr>
<tr>
<td>FDIC</td>
<td>Federal Deposit Insurance Corporation</td>
</tr>
<tr>
<td>FIRREA</td>
<td>Financial Institutions Reform, Recovery, and Enforcement Act</td>
</tr>
<tr>
<td>HUBZone</td>
<td>Historically Underutilized Business Zone Program</td>
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<tr>
<td>MBDA</td>
<td>Minority Business Development Administration</td>
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<tr>
<td>MBE</td>
<td>Minority Business Enterprise</td>
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<tr>
<td>MDI</td>
<td>Minority Depository Institution</td>
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<tr>
<td>MEP</td>
<td>Manufacturing Extension Partnership</td>
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<tr>
<td>NHO</td>
<td>Native Hawaiian Organization</td>
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<tr>
<td>NIST</td>
<td>National Institute of Standards and Technology</td>
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<tr>
<td>NOFO</td>
<td>Notice of Funding Opportunity</td>
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<tr>
<td>OCC</td>
<td>Office of the Comptroller of the Currency</td>
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<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>SBA</td>
<td>U.S. Small Business Administration</td>
</tr>
<tr>
<td>SDVOSB</td>
<td>Service-Disabled Veteran-Owned Small Business</td>
</tr>
<tr>
<td>VOB</td>
<td>Veteran-Owned Business</td>
</tr>
<tr>
<td>VOSB</td>
<td>Veteran-Owned Small Business</td>
</tr>
</tbody>
</table>

A.2 DEFINITIONS

- **Economically Disadvantaged Individuals**: Individuals whose ability or opportunity to compete in the economy has been impaired due to an individual’s (1) membership in a group that has been subjected to racial or ethnic prejudice or cultural bias within American society; (2) gender; (3) veteran status; (4) limited English proficiency; (5) disability status; (6) long-term residence in an environment isolated from the mainstream of American society; (7) membership in a Federally or state-recognized Indian Tribe; (8) long-term residence in a rural community; (9) residence in a U.S. territory; (10) residence in a community undergoing economic transitions (including communities impacted by the shift toward a net-zero economy or deindustrialization); (11) individuals without a college degree; or (12) membership in another “underserved community,” as defined in Executive Order 13985.
• Minority-Owned Business: A business where not less than 51 percent of the ownership or control of which is held, directly or indirectly, by one or more minority individuals; and not less than 51 percent of the net profit or loss of which accrues to one or more minority individuals.
• Veteran-Owned Business: A business where not less than 51 percent of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans and the management and daily business operations of which are controlled by one or more veterans.
• Women-Owned Business: A business where not less than 51 percent of the ownership or control of which is held, directly or indirectly, by one or more women; and not less than 51 percent of the net profit or loss of which accrues to one or more women.

A.3 INDUSTRY-SPECIFIC RESOURCES

The following lists of industry-specific resources is not complete and is not an endorsement of any organization.

A.3.1 Supplier Diversity Programs in Action

While not all supplier diversity programs are alike and should be tailored to meet specific business needs, company culture, and local regulations, applicants can explore how other companies have developed their supplier diversity programs. Listed below are examples of company supplier diversity programs identified by third parties for their commitment to global inclusive sourcing from diverse groups. Applicants may find these examples helpful as they design their own supplier diversity programs.

Any reference to a non-federal organization or corporation does not convey endorsement or approval by the Department of Commerce of the entity or their programs or resources. All examples provided are for illustrative, non-exhaustive purposes only. The Department of Commerce does not guarantee the accuracy or completeness of the information contained therein.
## ACCENTURE: GLOBAL SUPPLIER INCLUSION & SUSTAINABILITY PROGRAM

<table>
<thead>
<tr>
<th>Company Focus</th>
<th>Accenture is a professional services company that specializes in IT services and consulting.</th>
</tr>
</thead>
</table>
| Program Scope | - The Global Supplier Inclusion & Sustainability Program reaches 21 countries.  
- Accenture categorizes minority, ethnic, and women-owned businesses; small and medium enterprises (SME); LGBTQ+ community; persons with disabilities; veterans; and businesses located in HUBZones as “diverse suppliers.”  
- Accenture partners with national and local nonprofit supplier diversity membership organizations (e.g. NMSDC and WBENC) and holds board seats and corporate membership positions within them.  
- Accenture co-founded WEConnect International, which connects women-owned businesses to buyers internationally. |
| Supplier Registration Process | - Accenture’s supplier registration portal is hosted by Gainfront, an Artificial Intelligence / Machine Learning (AI/ML) eProcurement Software as a service (SaaS) platform.  
- Accenture is currently developing a global Sustainable Procurement Hub with data sharing and blockchain to assess suppliers’ ESG performance. |
| Mentorship and Training | - Accenture offers a Diverse Supplier Development Program (DSDP), which runs for 18 months and matches Accenture executive mentors with diverse supplier “protege” companies to help them grow their business. So far, 217 small, medium, and diverse suppliers were developed through their Diverse Supplier Development Program (DSDP).  
- Accenture also developed the Small & Medium Enterprise Digital Ecosystem platform (SME-DE) to facilitate interactions between SMEs and Accenture. SME-DE provides an automated application selection process, business assessment for targeted development, business tools, and commercial opportunities.42 |
## ADIENT’S SUPPLIER DIVERSITY PROGRAM

<table>
<thead>
<tr>
<th>Company Focus</th>
<th>Adient is a company that manufactures automotive seating.</th>
</tr>
</thead>
</table>
| **Program Scope** | • Adient’s supplier diversity program was launched in 1993, and their website cites a track record of exceeding $1 billion in diverse spending annually.  
• Adient’s statement of commitment to global supplier diversity and business development is posted on their website and signed by their president and CEO.  
• Adient defines a “diverse business” as 1) a for-profit business that has been certified by one of their preferred certifying partners and is at least 51% owned, operated, and controlled by a diverse person or group or 2) a small business that conforms to guidelines established by the SBA or 3) a historically underutilized business based on local county definitions. |
| **Supplier Registration Process** | • Adient’s supplier registration portal is hosted by Gainfront, an AI/ML eProcurement SaaS platform.  
• Adient’s supplier expectations webpage includes their Global Supplier Standards Manual and Adient Web Guides for quality, supply chain management, and tooling by region.  
• Adient’s supplier communications webpage includes news releases from Adient’s procurement team as well as invoicing instructions and contacts as well as information on the supplier Evaluated Receipt Settlement (ERS) (self-billing) process.  
• Adient also has a confidential Ethics Helpline available to anyone at all hours to raise questions and offer information for possible Ethics Policy violations. To maintain their supply chain risk management, Adient production and service parts suppliers are also required to update their financial information through their online financial assessment, Third Party Intelligence (3PI), quarterly.  
• Adient suppliers that provide direct material production parts and/or assembles must also comply with the International Material Data System (IMDS), which is a database established by automotive original equipment manufacturers (OEMs) to track and record chemical ingredients of parts and assemblies across the automotive supply chain.  
• Adient suppliers use Taulia to have online access to electronic communications, invoicing, PO and payment remittance details. |
| **Mentorship and Training** | • Adient suppliers can request their current performance rating from their local Buyer or Supplier Quality contact.  
• Adient has training opportunities taught by an external consulting company, JMC, that assists suppliers with automotive industry-specific knowledge and skillsets revolving around 8D documentation and scoring. |
## JOHNSON & JOHNSON'S GLOBAL SUPPLIER DIVERSITY & INCLUSION

<table>
<thead>
<tr>
<th>Company Focus</th>
<th>Johnson and Johnson (J&amp;J) is a multinational corporation that develops medical devices, pharmaceuticals, and consumer packaged goods.</th>
</tr>
</thead>
</table>
| **Program Scope** | • J&J's Global Supplier Diversity & Inclusion program was founded in 1998 and has been endorsed from their C-suite, such as their Chairman and CEO and their Executive Vice President and Chief Technical Operations & Risk Officer.  
• Supplier diversity is reflected in their Health for Humanity 2025 Goals, and their annual Scorecard provides updates on the progress. J&J is a member of the Billion Dollar Roundtable, which is a group of companies that discusses best practices for supplier diversity and spends at least $1 billion annually with diverse suppliers. |
| **Supplier Registration Process** | • J&J's supplier registration portal is hosted by CVM Solutions, a free diverse supplier management platform. The company publicly reports the number of global suppliers, total supplier spend, supplier spend contracted by region, and supplier spend contracted by business segment.  
• J&J also links their Responsibility Standards for Suppliers, which they cite as integral to their supplier-selection process. The Standards were updated in 2022 to include DEI, information security, and environmental responsibility, and J&J provided training and engagement to communicate them to current suppliers. |
| **Mentorship and Training** | • J&J sponsored the NMSDC’s Certificate of Excellence program, where NMSDC-certified WBEs and MBEs are matched with corporate leaders and mentors and attend instructional seminars from Rutgers Business School, J&J subject matter experts, and industry partners.  
• J&J’s Supplier Quality Academy is a platform focused on providing functional training to suppliers, external manufacturers, distributors, and supplier-facing internal Johnson & Johnson employees. For example, the Onward Sustainability Program is a series of 1-hour webinar sessions for partners enrolled in their Supplier Sustainability Program for best practices in measuring and reporting GHG emissions, starting their own supplier diversity program, and establishing health and safety policies for employees. |
MERCK & CO., INC.’S SUPPLIER DIVERSITY PROGRAM

<table>
<thead>
<tr>
<th>Company Focus</th>
<th>Merck is a biopharmaceutical company that develops and produces medicines, vaccines, biologic therapies, and animal health products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Scope</td>
<td>Merck’s supplier diversity program procures products and services from certified small, minority, women, veteran, veteran disabled, service disabled, LGBT, and disability-owned business enterprises.58</td>
</tr>
<tr>
<td>Supplier Registration</td>
<td>• Merck’s supplier registration portal is hosted by Gainfront, an AI/ML eProcurement SAAS platform.</td>
</tr>
<tr>
<td>Process</td>
<td>• Merck lists what product service areas they buy (e.g., capital procurement, direct materials, energy, professional services, site and commercial services, IT procurement, global marketing services, and research procurement) to notify possible suppliers of their needs.</td>
</tr>
<tr>
<td></td>
<td>• Merck also links a document outlining supplier performance expectations for Merck affiliates.59</td>
</tr>
<tr>
<td>Mentorship and Training</td>
<td>• Merck states that they offer sustainability planning, mentoring, a second-tier program, and scholarships and other educational opportunities for suppliers.</td>
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<tr>
<td></td>
<td>• In 2020, Merck hosted a Virtual Global Business Exchange Opportunity Fair, where representatives from various diversity councils were available to talk with suppliers who could qualify for dual certification.</td>
</tr>
<tr>
<td></td>
<td>• Merck also hosts a monthly webinar series for diverse suppliers that helps suppliers develop their pitches, set themselves apart from their competitors, and advance in the industry.60</td>
</tr>
<tr>
<td></td>
<td>• In terms of outreach efforts, Merck hosted the 2022 Billion Dollar Roundtable Summit, which is an annual event that brings together companies with an annual diverse supplier spend of at least $1 billion.61</td>
</tr>
</tbody>
</table>

A.3.2 Government Resources and Partners

MINORITY BUSINESS DEVELOPMENT AGENCY

The Minority Business Development Agency (MBDA) is an agency in the United States Department of Commerce that promotes the growth and competitiveness of the United States’ minority business enterprises, including Hispanic and Latino American, Asian Pacific American, African American, and Native American businesses. MBDA funds a national network of MBDA Business Centers, Specialty Centers, and other technical assistance programs. Their programs offer customized business development and industry-focused services to provide greater opportunities to access capital, contracts, and markets.62 Applicants should consider connecting with these Business Centers and Specialty Centers, as these centers have wide networks of small businesses, minority-owned, and women-owned businesses as well as knowledge on how to connect with such businesses. Applicants may find the MBDA’s Advanced Manufacturing Centers — which provide targeted assistance to minority manufacturers and help identify, promote, and refer MBEs to specialized advanced manufacturing programs — particularly helpful.
**Business Centers**

Minority-owned firms seeking to expand into new markets — domestic & global — and grow and scale, can access business experts at a MBDA Business Center. Business Centers assist firms with securing capital, competing for a contract, identifying a strategic partner, and becoming export ready. The Centers are in areas with the largest concentration of minority populations and the largest number of minority businesses.63

**Specialty Centers**

Specialty Centers provide industry-focused services to minority business enterprises. The types of specialty centers are listed below.

- **Advanced Manufacturing Centers**: Provides targeted assistance for manufacturers that aim to employ new technologies to increase the number of “Made in America” products that can be sold domestically and globally.
- **Export Centers**: Provides business development services to generate increased financing and contract opportunities, and greater access to global markets.
- **Federal Procurement Center**: The only MBDA Center solely focused on federal contracting; connecting MBEs to procurement officials and prime contractors.64

**SMALL BUSINESS ADMINISTRATION**

Created in 1953, the U.S. Small Business Administration (SBA) continues to help small business owners and entrepreneurs pursue the American dream. SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital, and contracting expertise as the nation’s only go-to resource and voice for America’s 33.5+ million small businesses. The SBA also certifies small businesses, WOSBs, VOSBs, and SDVOSBs (See Section 2.1, 2.3, 2.4). The SBA empowers entrepreneurs and small business owners with the resources, services and support they need to start, grow, expand their businesses, or recover from a declared disaster. Through an extensive network of SBA field offices and partnerships with public and private organizations, the SBA delivers a robust ecosystem to meet entrepreneurs where they are. SBA’s resource partners network will serve as an additional resource for small businesses to learn more about the implementation of plans for CHIPS funding.

**Small Business Development Centers**

Small Business Development Centers (SBDCs) across the country provide face-to-face small business consulting and training services for entrepreneurs. With 63 lead centers and over 900 service centers across the country, SBDCs can provide targeted entrepreneurial services from ideation to scaling for a small business owner.

**SCORE**

SCORE, the nation’s largest network of volunteer, expert business mentors, is dedicated to helping small businesses plan, launch, manage and grow. SCORE is a nonprofit organization that is driven to foster vibrant small business communities through mentoring and educational workshops.
Women Business Centers

Women Business Centers (WBCs) provides specialized resources and training to help women succeed in the business world. Over 145 women business centers support many women entrepreneurs, providing counseling, training, and access to capital services to women small business owners many who are from minority and rural communities.

Veteran Business Outreach Centers

Veteran Business Outreach Centers (VBOCs) provides specialized resources and training to help veteran and military spouse entrepreneurs start or grow a small business. Twenty-eight veteran business outreach centers across the United States serve as a critical hub for business planning, access to capital, marketing, outreach, and more to transitioning service members, veterans, National Guard and Reserve members, as well as military spouses.

Office of Native American Affairs

The SBA provides funding for 7 entrepreneur-serving organizations that deliver specialized resources and training to help Native American entrepreneurs start or grow a small business. These partners meet American Indian, Alaska Native, and Native Hawaiian small businesses where they are located, whether that be in urban, rural, or reservation locations across the country. Additionally, in FY2024, the SBA is launching a Tribal College Small Business Achievement (TCSBA) pilot to fund four Tribal Colleges and Universities to provide free training and technical assistance to Native American entrepreneurs in their communities.

NIST HOLLINGS MANUFACTURING EXTENSION PARTNERSHIP

The Hollings Manufacturing Extension Partnership (MEP) is based at the National Institute of Standards and Technology (NIST). The national Program Office (NIST MEP) provides the federal government funding for the MEP National Network™. The MEP National Network comprises the National Institute of Standards and Technology’s Manufacturing Extension Partnership (NIST MEP), the 51 MEP Centers located in all 50 states and Puerto Rico, the MEP Advisory Board, MEP Center boards, and the Foundation for Manufacturing Excellence, as well as over 1,450 advisors and experts at approximately 430 MEP service locations, providing U.S. manufacturers with access to resources.

MEP is a public-private partnership, designed from inception as a cost-share program. Federal appropriations pay one-half, with the balance for each Center funded by state / local governments and/or private entities, plus client fees.

MEPNN’s partners, which may serve as valuable resources for applicants seeking to broaden their networks, are listed below:

- State and local governments.
- Other Federal government agencies, departments, programs, and laboratories.
- Universities, community colleges and technical schools.
- Trade associations.
- Professional societies.
• Industry leaders and think tanks.
• Economic development organizations.
• Private sector; including consulting firms as well as the manufacturers across the nation.

Supplier Scouting

The MEPNN’s supplier scouting service can be applied on a national, regional, or local scale. By leveraging its relationships and knowledge of U.S. manufacturing capabilities, MEPNN identify manufacturers with production and technical capabilities and connect them with larger and more diverse supply chains of larger companies and government agencies. By additionally, they identify and connect suppliers with purchasers, responding to the specific needs of agencies to meet Build America, Buy America requirements.

Below are the basic steps of the MEPNN supplier scouting process:

• Government agencies with supply chain needs can use the MEPNN Supplier Scouting service by completing a Supplier Scouting Opportunity Synopsis form. Companies with supply chain needs should contact their local MEP Center. The MEPNN maintains a list of current open opportunities.
• NIST MEP disseminates the information to MEP Centers in every state and Puerto Rico to conduct a nationwide search for U.S. manufacturers with the capabilities and business interests to supply the needed item.
• The results are summarized by NIST MEP and reported to the organization that submitted the request. MEPNN Supplier Scouting typically takes 30-45 days to return results.

DEPARTMENT OF ENERGY

The Department of Energy (DOE) Office of Economic Impact and Diversity (ED)’s Minority Business and Workforce Division works to advance the principles of recognition, procedural, distributive, and reparative justice by:

• Assessing disparities within clean energy funding and workforce opportunities for disadvantaged communities, small and minority-owned businesses, and minority-serving institutions.
• Centering disadvantaged communities, small and minority-owned businesses, and minority-serving institutions in the creation of policy frameworks, funding opportunities, and partnerships to democratize the nation’s energy systems and processes.
• Remediate energy injustices and disparities through equitable policy implementation, funding opportunities, and workforce initiatives that support disadvantaged communities, small and minority-owned businesses, and minority-serving institutions.

The Office of Economic Impact and MBDA work collaboratively to:

• Drive more equitable participation of MBEs in the energy sector.
• Create a sustainable model that identifies diverse stakeholders to address challenges and opportunities for underrepresented MBEs to increase the growth and impact.
• Engage and develop underrepresented MBEs in national energy supply chains and related high growth industries.
• Develop and grow MBEs through data driven initiatives and capacity building to improve the participation of minorities in the energy sector.
• Utilize data sharing and reporting tools to increase the effective engagement with MBEs
• Facilitate MBEs’ access to resources.

A.3.3 Supplier Diversity NGOs

Listed below are several non-governmental organizations (NGOs) that certify minority-owned, women-owned, and veteran-owned businesses as well as businesses owned by other historically and economically disadvantaged communities, and more largely serve as advocacy organizations dedicated to expanding economic opportunities and advancements for such communities. While establishing the scope of their supplier diversity program, applicants can consider working with these NGOs or similar ones.

• Disability: IN
  Disability:IN\textsuperscript{70} is a global organization that advocates for disability inclusion and equality within business. The organization certifies disability-owned business enterprises, including service-disabled and veteran disability-owned businesses, and links them to entities seeking to diversify their supply chains.

• National Black Chamber of Commerce
  The National Black Chamber of Commerce\textsuperscript{71} is an organization dedicated to economically empowering and sustaining African American communities through entrepreneurship and capitalistic activity within the United States and via interaction with the Black Diaspora.

• National Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship
  The National Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship (National ACE)\textsuperscript{72} is an organization dedicated to improving the economic, political, and social wellbeing of Asian Americans and Pacific Islanders.

• National Gay & Lesbian Chamber of Commerce
  The National Gay & Lesbian Chamber of Commerce\textsuperscript{73} (NGLCC) is an advocacy organization dedicated to expanding economic opportunities for LGBTQ individuals, as well as the certifying body for LGBTQ-owned businesses.

• National Minority Supplier Development Council
  The National Minority Supplier Development Council\textsuperscript{74} (NMSDC) is a “business growth engine” for Asian-Indian, Asian-Pacific, Black, Hispanic, and Native American communities. The Council acts a certifying body for MBEs and facilitates connections between its corporate members and MBEs.

• United States Hispanic Chamber of Commerce
  The United States Hispanic Chamber of Commerce\textsuperscript{75} (USHCC) is a minority Chamber of Commerce that seeks to foster Hispanic economic development. The Chamber of Commerce acts as a certifying body for Hispanic-Owned Business Enterprises (HBEs).
• **Women's Business Enterprise National Council**
  The Women's Business Enterprise National Council\(^7^6\) (WBENC) is a non-profit organization dedicated to the economic development of women-owned businesses and acts a certifying body for WBEs. There are 14 Regional Partner Organizations to administer the organization's certification across the nation.

• **WEConnect International**
  WEConnect International\(^7^7\) is a global network that connects WBEs with local and multinational member buyers, educates women business owners on market access and growth opportunities, and certifies WBEs.

• **National Veteran-Owned Business Association**
  The National Veteran-Owned Business Association (NaVOBA)\(^7^8\) is a nonprofit organization dedicated to creating contracting opportunities for Veteran and Service-Disabled Business Enterprises (VBEs/SDVBEs) through certification and advocacy. It acts as a certifying body for VBEs and SDVBEs and is the official veteran-owned business partner of the National Business Inclusion Consortium (NBIC).

### A.3.4 Ombuds Resources

The International Ombuds Association (IOA) is a member-based professional organization and seeks to advance the profession of organizational ombuds. Their Office is not able to directly refer applicants to an ombuds.\(^7^9\)

Applicants looking to start an ombuds office can view the following resources:

• [Ombuds FAQ](#)
• [Nuts and Bolts of Setting Up and Ombuds Office](#)

Applicants can also consider posting a job for an ombuds position opening on the IOA Job Board.\(^8^0\)

Applicants can also search for a consultant or contract ombuds in the Outsourced Ombuds Directory.\(^8^1\)

### A.3.5 External Resources

• **Billion Dollar Roundtable**
  The Billion Dollar Roundtable Inc. (BDR) is a non-profit organization currently comprised of 35 Fortune-level corporations that each spend $1 billion or more annually on a tier 1 basis. The BDR recognizes and celebrates corporations that achieve this status and promotes and shares best practices in supply-chain diversity excellence. BDR member companies address current issues and devise strategies related to supplier diversity to advance supply-chain opportunities for both corporations and diverse suppliers.\(^8^2\)

  BDR holds an annual summit\(^8^3\) and publishes articles, white papers\(^8^4\), and policy papers\(^8^5\) about supplier diversity strategies and their impact.

• **Ralph G. Moore and Associates**
  Ralph G. Moore and Associates (RGMA)\(^8^6\) is a firm that collaborates with corporations to enhance
their supplier diversity program. As outlined in Section 3.4, RGMA’s 5 Levels of Supplier Diversity are widely used by organizations such as BDR and NMSDC to benchmark corporate supplier diversity program.  

Applicants can consider working with RGMA to develop their supplier diversity program; the organization recently developed a digital supplier diversity program assessment platform that outlines strategies for corporations on improving their programs.

• SEMI

SEMI is an industry association comprising companies involved in the electronics design and manufacturing supply chain. The SEMI Manufacturing Ownership Diversity (MOD) Working Group includes representation by semiconductor manufacturers, OEMs, and material suppliers. The MOD Working Group is dedicated to developing a diverse supply chain for the semiconductor industry and was established to provide a forum for SEMI members to discuss supplier diversity, align stakeholders on pre-competitive diversity issues, and create growth opportunities for SEMI businesses and their partners in the global supply chain. The group also includes certified diverse suppliers as well as organizations that represent diverse suppliers.

Applicants can consider joining the MOD Working Group. SEMI has also hosted a roundtable discussion and a SEMICon West webinar in 2020 discussing supplier diversity. SEMI has also created an external supplier diversity quick start guide.

A.4 RELATED DOC PRIORITIES

A.4.1 Drive U.S. Innovation and Global Competitiveness

To scale the next generation of technological innovation, maintain global competitiveness, and ensure everyone benefits from the innovation economy, the nation must harness the potential of all regions, workers, and businesses. This means expanding support for innovation ecosystems across America beyond a handful of urban centers. According to the Brookings Institution, just five metropolitan areas — Boston, San Diego, San Francisco, San Jose, and Seattle — generated more than 90 percent of the country’s innovation sector growth between 2005 and 2017. The Department will catalyze growth in regions that have too often been left behind while supporting the next generation of technological innovation. EDA’s $1 billion Build Back Better Regional Challenge will transform 20 to 30 economically distressed regions by investing in industry clusters.

The CHIPS Act aims to create at least two semiconductor manufacturing clusters by 2030 by stimulating ecosystems that bring together suppliers, fabrication plants, R&D labs, and final packaging facilities. The Department believes that facilitating a more diverse and inclusive semiconductor ecosystem is not only good for individuals and communities, but businesses as well.

Economic clusters cannot form or grow without a robust supply chain. Fostering industry partnerships (“matchmaking”) with small businesses, minority-owned, women-owned, and veteran-owned businesses expands the supply base, promoting competition and supply chain resilience in the process. Effective supplier diversity can contribute to the creation of more productive, inclusive, efficient, and self-sustaining semiconductor manufacturing clusters.
A.4.2 Foster Inclusive and Equitable Economic Growth

During the past several decades, manufacturing jobs in communities across the country were outsourced, real wage growth declined, and individuals and communities were left without the workforce development and training they needed. Industry innovation was also concentrated in select regions, with a third of America’s innovation jobs located in only 16 counties and over a half in 41 counties. As a result, poverty, limited job opportunities, and stagnated labor force participation persist in regions across the United States even when the nation overall experiences strong economic growth. Notably, historically underserved communities within these regions are particularly adversely affected. The Department finds it integral to utilize the talents and resources of these regions, kickstarting economic recovery and building long-term economic resilience.

The Department aims to achieve such economic resilience through place-based economic development (also referred to as “place-based initiatives” or “place-based approaches”), which refers to geographically-oriented policies, programs, and investments designed to expand local economies and good paying jobs across all communities by connecting them to regional and global markets, supporting innovation and tech ecosystems, driving improvements in company-level productivity within and across sectors, and reducing inequality across and within geographies.

As such, the Department encourages applicants to consider how their project’s supplier diversity plan will advance equity and inclusion within their respective communities. Regional equity and inclusion breaks down the systemic barriers (e.g., unconsciously embedded biases within industry-supplier partnerships such as lengthy payment terms or supply risk requirements) that have historically prevented small, minority, women, and veteran-owned businesses from accessing opportunities. Regional equity and inclusion also seek to address unmet local needs (e.g., high unemployment, accessibility to business partnership opportunities) while leveraging local advantages (e.g., flexibility to create custom solutions).

A.5 EQUITY EXECUTIVE ORDERS

The Office of Civil Rights has been tasked with overseeing the successful implementation of the following executive orders and presidential memorandums within the Department of Commerce. In order to better manage the various responsibilities outlined in President Biden’s DEIA-related executive orders and memorandums, the Department of Commerce has also created the DEIA Council.

Executive Order 13985

Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government directs federal agencies to evaluate whether their policies produce racially inequitable results when implemented, and to make the necessary changes to ensure underserved communities are properly supported.
Executive Order 13988

Executive Order 13988: Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation expands the discrimination protections previously offered solely on the basis of sex into the categories of gender identity and sexual orientation.

Executive Order 14031

Executive Order 14031: Advancing Equity, Justice, and Opportunity for Asian Americans, Native Hawaiians, and Pacific Islanders establishes a White House initiative on Asian Americans, Native Hawaiians, and Pacific Islanders, as well as a Presidential Advisory Commission, both of which aim to advance equity, justice, and opportunity among these groups.

Executive Order 14035

Executive Order 14035: Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce seeks to create a government-wide initiative to promote diversity, equity, inclusion, and accessibility (DEIA).

Executive Order 14091

Executive Order 14091: Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government targets specific barriers still faced by underserved communities by requiring federal agencies to integrate equity into planning and decision-making.
ENDNOTES

8 Ian Blount and Mingxiang Li, “How buyers’ attitudes toward supplier diversity affect their expenditures with ethnic minority businesses,” Journal of Supply Chain Management (NIST Library, June 27, 2020), https://doi.org/10.1111/jscm.12237
16 See https://sam.gov/content/home.
18 See 15 U.S.C. 9501(9)).


For more information on eligibility requirements for WOSB or EDWOSB qualification, see 13 CFR § 127.B, https://www.ecfr.gov/current/title-13/chapter-I/part-127/subpart-B.


Tier 1 suppliers are direct suppliers of the final product. Tier 2 suppliers are suppliers or subcontractors for tier 1 suppliers.


For a list of minority depository institutions, based on Quarter-End data, see “Minority Depository Institutions,” U.S. National Credit Union Administration (U.S. National Credit Union Administration, n.d.), https://ncua.gov/support-services/credit-union-resources-expansion/resources/minority-depository-institution-preservation/mdi.


For more information, see https://disabilityin.org/.

For more information, see https://www.nationalbcc.org/index.php.

For more information, see https://www.nationalace.org/.

For more information, see https://nglcc.org/.

For more information, see https://nmsdc.org/.

For more information, see https://www.ushcc.com/.

For more information, see https://www.wbenc.org/.

For more information, see https://weconnectinternational.org/.

For more information, see https://www.navoba.org/.


For more information, see https://billiondollarroundtable.org/.

To find information on annual summits, see “Events,” Billion Dollar Roundtable (Billion Dollar Roundtable, n.d.), https://billiondollarroundtable.org/events/.

For articles and white papers, see “White Papers,” Billion Dollar Roundtable (Billion Dollar Roundtable, n.d.), https://billiondollarroundtable.org/white-papers/.


For more information, see https://rgma.com/.

For more information, see https://www.semi.org/en.

To see form to join the MOD Working Group, see "Join the SEMI MOD Working Group!" SEMI (SEMI, n.d.), https://forms.office.com/pages/responsepage.aspx?id=3QuozL1OF0-Obe7NC6xaAlBiCaD6SxfBgSQHuyUPpa-9dUMkEzVTIaTEIPUjQzOE44SINWODVPVTYYOS4u.

"Want Supply Chain Resilience? Call for Diverse Suppliers! SEMI (SEMI, May 11, 2021), https://us02web.zoom.us/rec/play/CVA2IAcYARiITy97w9qriWfjxEY_c5PKPx5YTPUc3x9GrB50mAWDHb44Z0K3txZ7L_JbLGClzJyxyfElUWfUfyCpi56c2?continueMode=true&_x_zm_rtaid=DtkCyFhSR16wZOQJ3S3V-JA.1622034308067.eb06a906246b98cd8c13caaf66bebb33&_x_zm_rhtaid=941.


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