



**CALIFORNIA DEPARTMENT OF INSURANCE
2015 INSURER SUPPLIER DIVERSITY SURVEY**

Report Type: **Individual**

Group / NAIC Code:

60053

Group / Company Name: **KAISER PERMANENTE INSURANCE COMPANY**

Our company / group enters into contracts to procure goods or services in California.

1. Does your company / group have a supplier diversity policy statement?

YES

A supplier diversity policy statement is any language that refers to the company's / group's policies in regards to supplier diversity, with the goal of procuring goods and services from diverse businesses

If yes, provide the supplier diversity policy statement below:

National Supplier Diversity (NSD) maintains procurement guidelines for the use of diverse suppliers/vendors to be used by all KFH/HP employees responsible for purchasing. It is KFH/HP's policy to prefer to use a qualified diverse supplier whenever one is both available and able to meet KFH/HP's business terms and conditions at a competitive price. KFH/HP is not obligated to use a diverse supplier over others when they are not able to meet the business requirements including pricing. Our National Supplier Diversity policy was approved in 2013. Published to all employees defining specific federal and program responsibilities. Supports contracting practices that enable buyers to meet set supplier diversity goals.

- Provide a list of all documents in which the statement can be found (i.e. website, co. / group report, board charter, etc.):

Our policy can be found on the internal Company website in the KP Policy Library (National Supplier Diversity NATL.PS.002), on our internal National Supplier Diversity website, and in our Supplier Diversity Handbooks for employees. Our diversity policy is

- If the state is available online, provide link here:

**<http://kpnet.kp.org/kpnpa/> (KP internal website);
<http://kpnet.kp.org:81/procurementandsupply/nsd/policy/index.html> (KP internal National Supplier Diversity website); <https://xnet.kp.org/supplierdiversity/index.html> (KP external website)**

If no, but will be creating one within the next 12 months, provide a timeline for when your co. / group expects the policy statement to be completed and any other details available at this time (i.e. policy language, policy creation team, etc.):

If no, please explain why:

2. Does your company / group have a supplier diversity program?

YES

A supplier diversity program is any formal plan and / or structure that has been setup specifically for the company / group to implement its supplier diversity policy statements.

If yes, provide an overview of the program:

Kaiser Permanente's program is supported by its National Supplier Diversity Policy and ensures that diverse businesses are provided the maximum opportunity to participate in our purchasing, contracting, and subcontracting activities. There are two equally important components of the program: 1. A strategic plan, with overarching strategic goals, that reflects KP's long-time National Diversity agenda endorsed by our top leaders. 2. A Federal Subcontracting Plan. As a federal contractor to the U.S government (our largest customer), Kaiser Permanente is required by law to contract with small, small disadvantaged, women-owned small business, veteran-owned small businesses, service-disabled veteran-owned small businesses, HUBZone small business, and other diverse suppliers. Supplier diversity is one of our organization's goals and a high priority weighted objective. Sourcing teams are held accountable for achievement of the supplier diversity goal and it is tied to performance incentives. KP has a dedicated National Supplier Diversity department that oversees the NSD Program. Responsibilities include: 1. Providing communications and resources, including internal and external supplier diversity websites. 2. Serving as liaison to the Federal government and negotiating KP's Federal and employer supplier diversity goals. 3. Developing supplier diversity policies and handbooks. 4. Maintaining and disseminating reports and metrics. 5. Conducting targeted outreach to identify diverse suppliers and providing information to them on how to do business with Kaiser Permanente. 6. Ensuring small and diverse suppliers gain access to KP's contracting and purchasing opportunities. 7. Responding to inquiries from the Federal government, regulatory agencies, employer groups, and local business communities regarding our supplier diversity activities. 8. Providing supplier diversity consulting and training services to materials/sourcing/purchasing staff, organization leaders and general audiences. 9. Representing KP at external events such as supplier trade fairs and chamber of commerce functions.

If no, but will be creating one within the next 12 months, provide a timeline for when your company / group expects the program to begin and any other details available at this time (i.e. program plan, program director, etc.):

If no, please explain why:

3. Does your company / group conduct outreach specifically to diverse businesses?

N/A

If yes, respond to parts a, b, c, d, and e below.

a. Share all company / group outreach and communication strategies and practices that are conducted specifically to diverse businesses. Specify what outreach is conducted specifically to California diverse businesses:

In 2014, 354 employees in “Team KP” small groups attended a total of 19 outreach events, meeting 2,000 suppliers through national, regional, and local external trade fairs, business opportunity events, training, awards dinners, and luncheons. We met suppliers to open the door to future contract opportunities and to learn about the suppliers’ capabilities. Kaiser Permanente’s outreach strategy includes annual planning, budgeting for sponsorships and other funding for business opportunity trade fairs and other events. We collaborate with diverse advocacy organizations and host training courses for diverse businesses. Following are some of the national, regional and local diverse advocacy organizations, third party certification agencies and chamber groups we support: American Indian Chamber of Commerce – California; California Disabled Veteran Business Enterprises; National Minority Supplier Development Council (NMSDC); National Gay and Lesbian Chamber of Commerce (NGLCC); Northern California Minority Supplier Development Council (Now Western Region WRMSDC); Oakland African American Chamber of Commerce (OAACC); Oregon Association of Minority Contractors (OAME); Rocky Mountain Minority Supplier Development Council (RMMSDC); Southern California Minority Supplier Development Council (SCMSDC); U.S. Hispanic Chamber of Commerce; U.S. Pan Asian Chamber of Commerce; Women’s Business Enterprise National Council (WBENC). Support includes trade shows, dinners, luncheons, panel discussions, forums, meet the buyer events, committee work, in-kind and advisory assistance. We serve on several boards of diverse advocacy organizations: WRMSDC, NMSDC, SCMSDC, and OAACC. We participate fully in trade shows by sending a staff of contracting professionals to interview diverse suppliers, and explain upcoming opportunities. We support diverse suppliers by awarding an annual scholarship at the WRMSDC gala, which provides the recipient with financial assistance to attend the annual NMSDC conference. We sponsor forums, or meet the buyer events, including a Strategic Sourcing Forum, where our Supply Chain Executive Director offered an opportunity for WRMSDC suppliers to present products to 20+ Materials Directors. We participate in supplier diversity panel discussions and forums and write news articles for publications. We are interviewed by national magazines and online news organizations to describe our national supplier diversity program and outreach efforts.

b. Share any outreach and communication strategies and practices about supplier diversity conducted internally to company / group employees:

Communications: Created “Building. Economic. Diversity.” Video to raise employee awareness. Launched corporate wide \$1 Billion campaign to promote our goal to all Kaiser Permanente employees. Campaign included CEO signed launch letter to 500 executives and materials staff; tool kit, posters, CD, eCard, video, online training and other resources. Published news articles internally to educate employees and cascade our diversity policy. Distributed supplier diversity brochures and other giveaways to employees and advertised externally through diverse publications as part of our communications strategy. Supplier diversity articles featured in Procurement’s “Source Magazine”. Hosted internal all hands forums and other large group meetings to inform employees about the importance of utilizing diverse suppliers in every step of the purchasing and contracting processes. Our National Supplier Diversity internal website instructs employees on how to identify and utilize diverse suppliers. Our National Supplier Diversity external website features an online registration portal for suppliers to submit their company information, which then becomes available to employees seeking potential suppliers for opportunities.

Guidelines/Handbooks: Published three online Supplier Diversity Handbooks - innovative resources and tools for all employee audiences. The comprehensive, illustrated handbooks provide employees a one stop tool kit and explain detailed action steps and information to comply with the National Supplier Diversity Policy and Federal Plan requirements. Training Created two online “Supplier Diversity 101” courses, customized for employees, and launched them in our KP Learn web based training system. The 30 minute courses provide interactive exercises, detailed responsibilities, and resources for purchasers and contracting professionals. Conducted successful supplier diversity WebEx trainings: “Navigating the Supplier Diversity Reports”, Introduction to Diverse Supplier Search Tool”, and “\$1 Billion Campaign.” Over 58 regional managers were trained. Conducted two workshops for employees: “The Power of Supplier Diversity – Building Economic Diversity” at Annual National Diversity Conferences. The workshops increased awareness about supplier diversity, with internal and external panelists who discussed the Economic Impact of Supplier Diversity.

c. Check below all outreach and communication practices in which your company / group engages:

EVENT – seminars, meet-and-greets, summits, etc.

- Host matchmaking
- Host supplier diversity events
- Internal Awards Program
- Participate in matchmaking
- Participate in supplier diversity events
- Sponsor matchmaking
- Sponsor supplier diversity events

Share the name of an event you attended / hosted that has best guided and / or influenced growth of your Supplier Diversity efforts:

External: KP’s “Meet the Buyer & Training” EventIn 2014, we partnered with the Western Regional Supplier Development Council (WRMDC) to host a “Meet the Buyer”, at a KP location, Pleasanton, CA, that matched specific sourcing managers/directors with avai

MEDIA – advertising, announcements, interviews, webinars, etc.

- Traditional media (newspaper, television commercial, etc.)
- Ethnic media outlets
- Social media; please specify: _____
- Trade publications

Share the name of a media group or outlet that has best guided and / or influenced growth of your Supplier Diversity efforts:

MBN News USA, WE USA, MBE Magazine, WRMSDC newsletter, and others.

ORGANIZATIONS – membership, affiliation, sponsorship, etc.

- Member of a certification agency
- Member of ethnic chamber of commerce
- Member/affiliate of other organization, please specify:

National Minority Supplier Development Council (NMSDC) Western Region Minority Supplier Development Council Rocky Mountain Minority Supplier Development Council (RMMSDC) Southern California Minority Supplier Development Council (SCMSDC) Women’s Busine

Share the name of an organization that has best guided and / or influenced growth of your Supplier Diversity efforts:

Both the National Minority Supplier Development Council (NMSDC) and the Women’s Business Enterprise National Council (WBENC) have been critical in the growth of our supplier diversity program.

PROGRAMS – mentorship, training, locator, etc.

- Diverse supplier registration portal
- Manage and run a supplier diversity mentorship program (in-house)
- Participate in a supplier diversity mentorship program
- Subscriber to a supplier locator program (or 3rd party service that identifies diverse suppliers)
- Operate a website dedicated to a Supplier Diversity Program

Internal website: <https://xnet.kp.org/supplierdiversity/index.html> External website: www.kp.org/supplierdiversity

- Technical assistance / training program for diverse suppliers

Share the name of a program that has best guided and / or influenced growth of your Supplier Diversity efforts:

National Supplier Diversity Policy implementation and Billion Dollar Campaign Through executive endorsement, we implemented our first National Supplier Diversity Policy which formally announced Kaiser Permanente's program policy statement and guidelines b

- d. Explain how, and to what extent, these strategies and practices have been successful in establishing relationships with diverse businesses:

Our strategies have helped us successfully advance our national supplier diversity program and increase the dollars paid to diverse businesses, by making it mandatory to provide the maximum practical opportunity to those businesses (for direct b

4. Does your co. / group require and/or encourage its primary suppliers to subcontract with diverse businesses? **YES**

If yes:

- a. Do you track procurement spend with Tier 2 diverse suppliers? **YES**

b. Please explain:

Kaiser Permanente's Second Tier Subcontracting Program requires our prime suppliers to report supplier diversity metrics on a quarterly basis. This effort expands business opportunities for minority and women-owned firms by ensuring access at the subcontr

5. Does your co. / group set internal targets or goals in regards to its supplier diversity statement and / or program? **YES**

If yes, please explain:

We have an annual goal setting process which is cascaded program-wide and ensures leaders in all regions and departments are accountable to their own and Kaiser Permanente's goals. Our Executive Director meets periodically with key decision makers to en

6. Describe in detail any updates, progress, and / or best practices established by your company / group in the two years since the 2013 Insurer Supplier Diversity Survey was administered; include any awards or recognition received for Supplier Diversity work:

Kaiser Permanente was inducted into the Billion Dollar Roundtable in August 2014. We became the first health plan in the nation to be inducted as a member of the organization after achieving \$1.4 billion in diverse spend and passing a rigorous auditing process. We joined 19 other industry leaders who hold the distinction. California Department of Insurance's Commissioner Dave Jones awarded CEO Bernard J. Tyson the 2013 Trailblazer Award for his vision, internal/external impact and commitment to supplier diversity in an industry that has not yet fully embraced the idea. In the last several years Kaiser Permanente has won numerous NCMSDC awards. Corporation of the Year, over the last 2 consecutive years (and three years in a row previously) Supplier Diversity Leader of the Year for 2 Years. Executive of the Year for 2 years. Sourcing Manager of the Year (numerous). Won first place award in Communications - PRNews Corporate Social Responsibility communications competition, Diversity Communications category. MBNews USA, highlighted Kaiser Permanente in front page story about our receiving Corporation of the Year award at the NCMSDC awards gala, Bernard Tyson as special speaker, and Sylvia dosRemedios as Sourcing Manager of the Year. In 2013 and 2014 Kaiser Permanente maintained membership in the Hispanic Chamber of Commerce's Million Dollar Club, focused on Hispanic owned businesses. Since 2009 KP has maintained its position within the top 10 of DiversityInc. Magazine's Top 50 Corporations for Diversity competition, reaching #1 in 2011 and, most recently, #2 in 2015 (for our 2014 efforts). Each year Kaiser Permanente recognized its employees for their exemplary supplier diversity achievements by hosting an annual internal supplier diversity recognition celebration and presenting trophies to 200 plus individuals, teams and regions. We published acknowledgements in our monthly supplier diversity reports mailings to recognize regional goal attainment and other key accomplishments.

7. Additional Comments:

Supplier Relations Component – We help diverse suppliers in ‘get in the door’ and gain opportunities to contracts/purchases: Supplier Intake, Registration, Certification and Directory. We maintain a supplier registration portal that requires suppliers to authenticate their respective company data such as ownership, classification, and certification as part of the registration process. We have one dedicated employee who personally manages all diverse supplier data, qualifies suppliers, and interacts with third party organizations to confirm supplier certification. Our portal provides the tool for employees to search and locate diverse suppliers for the products and services they need. There are currently 3000+ registered diverse suppliers. We provide a standard template for diverse suppliers to use when they approach KP for business opportunities. Employees can also request a customized, in-depth search by NSD staff, using a Sourcing Request form. In 2014, our National Supplier Diversity department maintained \$1.1 in certified spend, working with stakeholders and a consultant. A new system was created to notify and assist diverse suppliers through the recertification process. Each month a report was generated to display the top 20 diverse suppliers with the highest spend with Kaiser Permanente. Diligent efforts and efficient processes are in place to ensure these suppliers remain certified and part of our program.

8. Points of contact for the company's / group's supplier diversity operations for diverse business enterprises:

PRIMARY CONTACT

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