

Where to Start: Contracting with Anchor Institutions

A Guide for East and Central Brooklyn's Businesses



Brooklyn Communities Collaborative
www.brooklyncommunities.org

Who is this Guide for? This guide to contracting with anchor institutions is for Central and East Brooklyn business owners interested in selling goods and services to the hospitals, universities, libraries, and other large organizations – known as *anchor institutions* – located in our neighborhoods. If your business provides building maintenance, construction, IT, cybersecurity, food service, marketing or a range of other services, our anchor institutions likely purchase what you offer. This guide is intended to raise awareness about these opportunities and to help Black business owners decide whether they are ready—or would like to become ready—to do business with anchors.

What is an anchor institution? Anchor institutions are large public-serving organizations with long histories and major roles in their communities. They are typically responsible for many employment opportunities and for much of the purchasing that takes place in a given community.

Why this Guide? Why Now? Brooklyn’s leaders want to contract with local businesses as part of an overall effort to contribute holistically and strategically to health equity. They understand that a thriving local business ecosystem that generates wealth and jobs for homegrown entrepreneurs and employees is a key social determinant of health. They also know that the success of the institutions they lead is inherently linked to the community members they serve and the neighborhoods where they are located.

BCC’s anchor members recognize that just as safe and affordable housing, responsive healthcare services, and pathways to good-paying jobs are core components of healthy communities, so too are small businesses’ profitability, wealth building opportunities, and retail corridor vitality. If local entrepreneurs and their businesses thrive, this translates to more wealth circulating locally and dollars being invested in the health and well-being of East and Central Brooklyn households. BCC is committed to taking actions that nurture, strengthen, and expand businesses owned and operated by East and Central Brooklyn residents.

Shifting to local procurement and having a robust local supply chain will strengthen the anchor institutions, too. The COVID-19 pandemic revealed the risk of easily interrupted global supply chains and convinced institutions of the benefits of dependable, localized supply chains.

Brooklyn Communities Collaborative has developed this guide in collaboration with two of our partner organizations that are also anchor institutions: Maimonides Health (MH) and One Brooklyn Health (OBH). Both of these anchor institutions have committed increasing MWBE spending from the current level of less than 1% to 10% by 2030.

Know Before You Go: Preparing to Do Business with Brooklyn’s Anchor Institutions

While anchor institutions spend millions of dollars on contracts annually, accessing these opportunities that are, literally, in our backyards, is not easy—but it can be done. Complex bureaucratic requirements can be difficult for small businesses to navigate.

Even if going through these steps does not result in an immediate contract with an anchor institution, it will strengthen the capacity of your business, help to build your track record and capacity.

Keep in Mind:

- **Anchor Institutions Act Slowly:** Institutions often work on longer payment timelines than small- and medium-sized business are accustomed, which can pose significant financial challenges. Request confirmation of payment schedule early in any process.
- **Scale Matters:** Anchor institutions usually contract with large companies because of the lower prices they can offer and with which smaller companies often cannot compete. Some key markets are cornered by large-scale vendors that can respond quickly to requests for large amounts of goods and services. It is important to both understand what scale and type of opportunities make the most sense for your business, and/or if your business might be able to serve as a Tier 2, or subcontractor, as part of a larger contract.
- **Make the Most of Supplier Diversity Requirements:** Anchor institutions, like many large organizations and agencies, have supplier diversity policies that they are obligated to follow. Racial discrimination is central to many of these challenges, and supplier diversity has been the means to overcome roadblocks that MBEs often face.

Steps to Doing Business with Anchor Institutions

Review this section to understand requirements for contracting with an anchor institution. We answer the questions: What are the opportunities for doing business? What licenses, certifications, and documentation are required?

- A. **Main Opportunities:** food, building maintenance, professional services, construction, IT, and food services as priority sectors for our anchor institutions.
- B. **Response to Request for Proposal:** scope of work, proof of insurance, contract stipulations. A bid for a contract with an anchor institution has three parts. In what follows, we use Maimonides as an example:
 1. **A complete response to the Request for Proposal.** The RFP will ask that you provide:
 - References “of customers for whom they have provided related services”
 - A thorough outline of the scope of your proposed work
 - A proposal pricing sheet
 - An M/WBE Quarterly Report.
 2. **Master agreement signature.** This agreement details insurance requirements, proposal fees, and general stipulations of entering into business with Maimonides.
 3. **Registrations.** In the next step, we describe how to make a Vendormate account (the platform used to collect all other required documentation – the certifications *not already provided in your proposal*). You will also need to register with Supplier.io, a separate

platform that helps Maimonides track its spend with minority and women owned businesses.

C. Certifications, insurances, registrations and other required documentation.

The following steps are needed to be considered as a vendor for Maimonides:

1. **Register your business on Vendormate:** Vendormate is the platform used by Maimonides (and other healthcare institutions) to organize vendor/ supplier credentials. This is where you will input your contact, legal & financial information and all other compliance documents required by Maimonides.
2. **Provide required legal, financial, and medical documentation.** Vendormate will ask that you provide the following (legal in green; medical in blue; other policy in orange):
 - W9
 - MBE Certification
 - Influenza Vaccine Compliance
 - COVID-19 Policy Compliance
 - Masking & Eye Protection During COVID-19 Compliance
 - FOR INDIVIDUALS: MMR (Measles, Mumps and Rubella), TB (Tuberculosis), Hepatitis B, COVID-19 Vaccine, Badge Photo
 - Code of Conduct
 - Sanctioning for HIPAA Violations
 - Confidentiality of Protected Health Information
 - Business Associates
 - Notice of Privacy Practices
3. **Register your business on SupplierOne,** the platform that Supplier.io uses. This registration process will ask for basic information like your business's legal name, contact information, the type of products/services you provide, company type (women-owned, minority-owned, etc.), and any government certifications (small business, minority-owned business) you already have.

It is important to keep in mind that supply chain/procurement teams are not able to respond to questions once an RFP is issued. The Maimonides sample RFP, for example, cautions against bribery, calling during the application process, and even offering well-intentioned gifts.