



FEDERAL RESERVE BANK *of* KANSAS CITY

February 23, 2012

The Honorable Charles A. Gonzalez
Chair, Congressional Hispanic Caucus

The Honorable Robert Menendez
United States Senator

Dear Members of Congress:

I am responding to your December 19, 2011 letter requesting additional information about the Federal Reserve Bank of Kansas City's diversity efforts. The Bank has a strong commitment to diversity and understands the importance and significance of its responsibilities under Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Diversity of the Office of Minority and Women Inclusion and Professional Staff

As director of the Office of Minority and Women Inclusion (OMWI), I work closely with other members of management to execute the Bank's diversity and inclusion strategy. The leadership team supporting OMWI initiatives is shown on the enclosed organizational chart and includes Hispanic representation. The Bank has not appointed an Assistant OMWI Director at this time.

The Bank makes its workforce representation data, including gender and ethnicity, available on our public website at www.kansascityfed.org/diversity. For your convenience, a copy of the information has been enclosed. The Bank seeks a workforce that is reflective of the pool of qualified candidates in its relevant labor markets. To achieve this objective, our recruiting efforts include events to attract Hispanic candidates for professional positions. In 2011, the Bank actively participated in 32 events sponsored by minority and women colleges and universities, with 21 of those events occurring at Hispanic-serving institutions. The events included career fairs, resume reviews, networking opportunities, classroom presentations, and on-campus interviews. Job opportunities are posted on job boards targeted at Hispanic professionals such as *HispanicJobs.org*, as well as in print media (e.g., *El Hispano*, *Dos Mundos* and *Hispanic Network Magazine*).

The Bank maintains active memberships with several local community organizations dedicated to expanding opportunities for minority professionals, including Hispanic job seekers. These memberships include local affiliations such as the Kansas City Chapter of the National Society of Hispanic MBAs (NSHMBA) and the Hispanic Chamber of Commerce of Greater Kansas City. In addition, the Bank actively recruits at national conferences, including those for NSHMBA and the Association of Latino Professionals in Finance and Accounting.

With respect to your inquiry about training, the Bank provides diversity training during new employee orientation as part of its core curriculum for employees and management. In 2011, the Bank developed a new management diversity training program championed by the executive team and required for all members of management. This training centers on three



objectives: (1) increase awareness of diversity and inclusion as a business opportunity; (2) understand the Bank's diversity strategy and level of commitment to being an inclusive organization; and, (3) outline management accountability and identify practical ways to support a culture of inclusion.

Several other mechanisms are used to ensure employees understand the Bank's commitment to diversity, including an internal diversity website, diversity and inclusion links on the public website, articles in Bank newsletters, and awareness events sponsored by our Employee Diversity Council.

Procurement Results for Hispanic Vendors

The Bank's diverse spend with minority- and women-owned businesses totaled \$4.6 million, or 12.2 percent of total reportable spend in 2011.¹ Of that amount, \$297 thousand, or .8 percent, was for goods and services provided by Hispanic firms. Spend amounts include prime contractors only. In response to your specific inquiry related to financial and investment professional services, the Bank does not utilize these types of services and has no related contracts.

Implementation of a Written Procurement Plan

The Bank's supplier diversity policy and standards contain guidelines to ensure all firms interested in doing business with the Bank, including minority- and women-owned suppliers, have an opportunity to participate in contracts, thereby increasing the likelihood of contract spend with these businesses. The policy and standards call for Bank participation in vendor fairs and outreach activities with organizations that primarily include minority- and women-owned businesses among its members. In 2011, the Bank attended or hosted nine such events in which Hispanic-owned businesses or organizations participated. These events included a Bank-hosted procurement roundtable luncheon with representation from our local Hispanic Chamber and participation in minority business opportunity fairs hosted by the Mid America Minority Business Development Council, the Greater Kansas City Chamber of Commerce, and the City of Kansas City.

Further, the Bank's supplier diversity policy and standards provide for the coordination of technical assistance to minority- and women-owned businesses related to the Bank's acquisition process and contract opportunities. In 2011, a number of one-on-one opportunity and technical assistance discussions were held with local minority- and women-owned businesses new to the Bank. One such meeting with a Hispanic, women-owned business resulted in the award of 10 contracts during the year with the total value of the future commitments estimated to be more than \$300 thousand. Additionally, the Bank hosted an event that provided attendees the

¹ Reportable spend includes all vendor payments except those made for/to the following: government entities, taxes, rent, utilities, schools or universities, and associations.



opportunity to ask questions to a panel of public and private resources on the topics of procurement, lending, and other technical assistance.

The Bank systematically measures progress toward increasing the participation of minority- and women-owned businesses in its procurement activities. Areas of measurement include annual dollar spend with such vendors.

Outreach for Contracting Opportunities

As indicated above, the Bank participates in a number of outreach and network activities oriented toward minority- and women-owned businesses. A supplier diversity brochure that contains information about doing business with the Bank and the types of goods and services typically procured is distributed at such events. Additionally, a self-registration tool available on our public website allows suppliers interested in doing business with the Bank to register and be considered for future contracting opportunities. This information is maintained in a database and actively mined as the Bank seeks a pool of diverse suppliers for its contracting opportunities.

With respect to outreach specific to Hispanic firms, the Bank is a member of the Hispanic Chamber of Commerce of Greater Kansas City, and our Diversity and Inclusion Coordinator, Erika Ramirez, is actively engaged with this organization. Her service provides additional visibility for the Bank to create relationships with Hispanic business owners. In early 2011, the Bank's senior procurement officer and I met with the Hispanic Chamber's president and board chair to discuss supplier diversity best practices and how to expand our pool of diverse suppliers. In addition, the aforementioned networking and outreach events often include Hispanic chamber members and other Hispanic-owned businesses.

The Bank estimates it will competitively bid approximately 130 contracts in the next 12 months. This estimate includes requests for proposals solicited by our central procurement function as well as temporary contract staffing requisitions posted by our human resources area. Upcoming contract opportunities are shared with businesses at networking and outreach events. Moreover, the Bank seeks to include diverse suppliers in each of its proposals and will reach out to area organizations focused on the advancement of minority businesses to provide assistance in identifying diverse suppliers. In addition to our local Hispanic Chamber, the Bank is a member of the Asian American Chamber of Commerce of Kansas City, the Black Chamber of Commerce of Greater Kansas City, and the MidAmerica Minority Business Development Council. These organizations have proven to be valuable resources to further the Bank's supplier diversity initiatives.

As referenced above, our procurement staff regularly meets with various businesses, including minority- and women-owned businesses. Common feedback received by the Bank at various networking and outreach events has been that businesses are unsure how to contact specific business areas to discuss opportunities. To address this feedback, the Bank makes available its supplier diversity brochure, which includes contact information for centralized



procurement staff, at outreach events and has prominently displayed a link related to diversity and inclusion initiatives on its public website.

Barriers to Competition

The Bank is not aware of specific barriers to competition faced by minority- and women-owned suppliers that are separate or unique from those also experienced by all small businesses. To address these barriers, the Bank employs a small business procurement program to assist small businesses and promote the acquisition of goods and services from such businesses, many of which are minority- and women-owned. Additionally, the Bank currently is hosting a series of small business programs, the first of which was held in Omaha, Nebraska, and attracted 240 attendees. The program is geared to the needs of start-up and existing, urban and Spanish-language entrepreneurs and small business owners.

Finally, your letter stated that the Congressional Hispanic Caucus “*continued to hear of access and communications problems for many qualified Hispanic candidates and Hispanic businesses seeking to do business with your agencies*”. I am not aware of the situations described above and, therefore, invite your office to provide me with details specifically related to the Federal Reserve Bank of Kansas City. This will allow me to review and address these issues as appropriate.

I hope that you find this information responsive to your request. Additional information about our diversity and inclusion efforts, including our support of the Congressional Hispanic Caucus’ Ready to Lead program, will be included in the Bank’s first annual report to Congress. We look forward to submitting the report by March 30, 2012.

Sincerely,

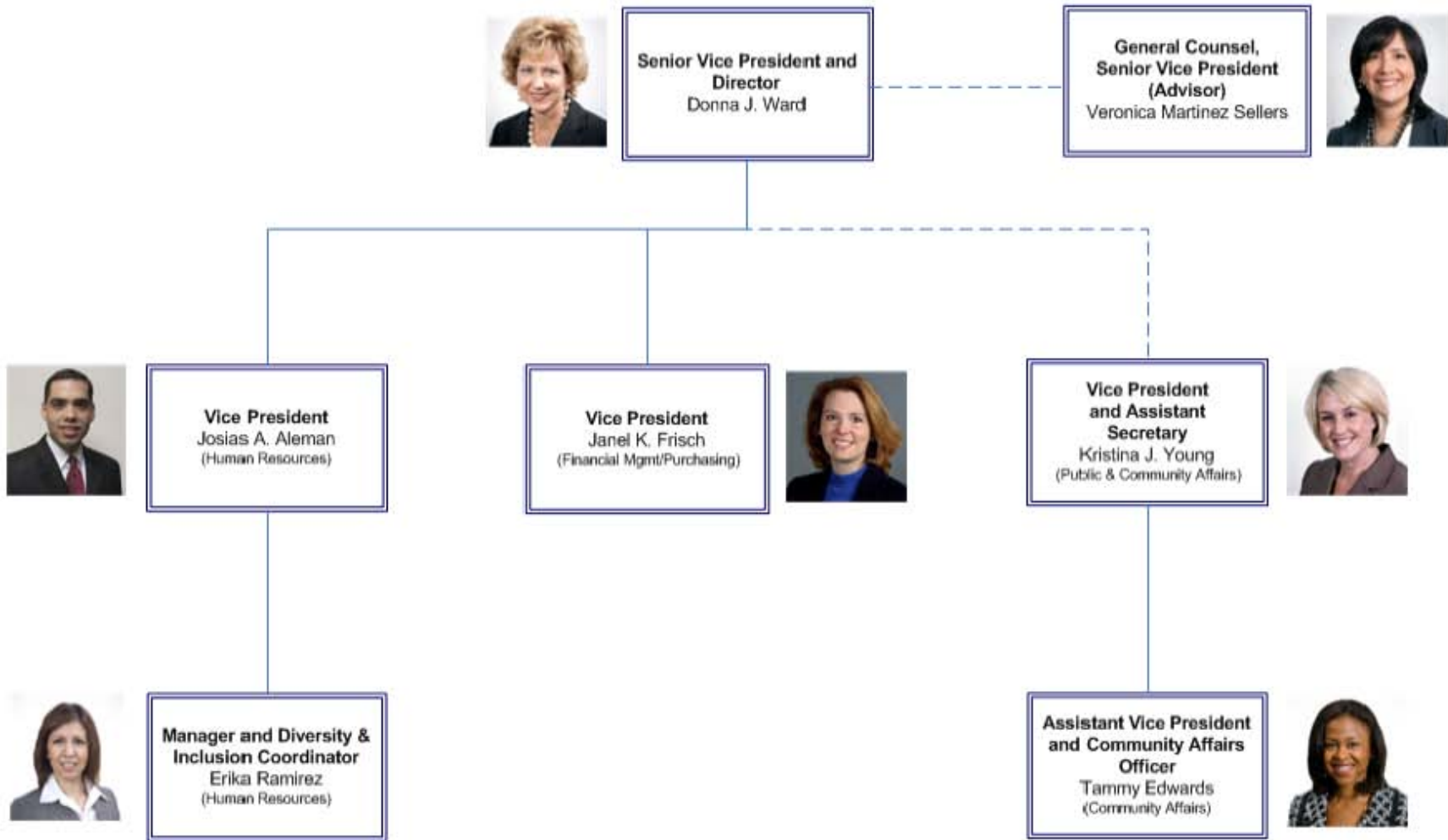
A handwritten signature in black ink, appearing to read 'Donna J. Ward', is written in a cursive style.

Donna J. Ward
Senior Vice President and
Director of Office of Minority & Women Inclusion

Enclosures

c: Ms. Esther L. George
Mr. Kelly Dubbert

Federal Reserve Bank of Kansas City Office of Minority & Women Inclusion (OMWI)



**Federal Reserve Bank of Kansas City
Workforce Representation Data**

Female Representation																
Job Categories	White		Black or African American		Hispanic or Latino		Native Hawaiian or Pacific Islander		Asian		American Indian or Alaskan Native		Two or More Races		Overall Totals	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Executive / Sr Officials & Managers	6	85.7	-	-	1	14.3	-	-	-	-	-	-	-	-	7	100.0
First / Mid Officials & Managers	88	88.9	5	5.1	3	3.0	-	-	3	3.0	-	-	-	-	99	100.0
Professionals ¹	241	86.7	23	8.3	7	2.5	1	0.4	5	1.8	-	-	1	0.4	278	100.0
Technicians	19	70.4	6	22.2	1	3.7	-	-	1	3.7	-	-	-	-	27	100.0
Sales Workers	3	100.0	-	-	-	-	-	-	-	-	-	-	-	-	3	100.0
Administrative Support	109	72.2	23	15.2	16	10.6	1	0.7	2	1.3	-	-	-	-	151	100.0
Craft Workers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0.0
Service Workers	8	80.0	1	10.0	-	-	-	-	1	10.0	-	-	-	-	10	100.0

TOTAL	474	82.4%	58	10.1%	28	4.9%	2	0.3%	12	2.1%	0	0.0%	1	0.2%	575	100.0%
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Male Representation																
Job Categories	White		Black or African American		Hispanic or Latino		Native Hawaiian or Pacific Islander		Asian		American Indian or Alaskan Native		Two or More Races		Overall Totals	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Executive / Sr Officials & Managers	5	100.0	-	-	-	-	-	-	-	-	-	-	-	-	5	100.0
First / Mid Officials & Managers	101	91.8	4	3.6	5	4.5	-	-	-	-	-	-	-	-	110	100.0
Professionals ¹	259	86.6	7	2.3	11	3.7	-	-	20	6.7	2	0.7	-	-	299	100.0
Technicians	60	84.5	7	9.9	1	1.4	-	-	1	1.4	1	1.4	1	1.4	71	100.0
Sales Workers	2	100.0	-	-	-	-	-	-	-	-	-	-	-	-	2	100.0
Administrative Support	25	65.8	4	10.5	4	10.5	-	-	5	13.2	-	-	-	-	38	100.0
Craft Workers	31	93.9	1	3.0	1	3.0	-	-	-	-	-	-	-	-	33	100.0
Service Workers	69	75.0	12	13.0	7	7.6	1	1.1	3	3.3	-	-	-	-	92	100.0

TOTAL	552	84.9%	35	5.4%	29	4.5%	1	0.2%	29	4.5%	3	0.5%	1	0.2%	650	100.0%
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¹Professionals include analysts, economists, examiners, and IT professionals.

Note: Numbers may not add due to rounding. Information reflects EEO - 1 data as defined by the Equal Employment Opportunity Commission (EEOC). The data is as of August 31, 2011, in order to match our submitted annual EEO - 1 report to the EEOC. The report is primarily based on employee self-identification. Per EEO guidance, if race or ethnic information is not self-reported, observer identification may be used. The Federal Reserve Bank of Kansas City follows a standard practice of reviewing employee representation against Census occupational data (broken down by job group). The Bank uses Census occupational data because measuring performance against the broader Census population data is not comparable; the broader population data does not take into account the demographics of the labor pool that feed into each job group.