



ANCHORED IN COMMUNITY

A Practical Playbook for Mobilizing
Anchor Institutions as Catalysts of
Local Economic Growth

FUNDED BY



DMPED
OFFICE OF THE DEPUTY MAYOR FOR
PLANNING & ECONOMIC DEVELOPMENT

JPMorganChase



Nareit Real estate.
working for you.

**WELLS
FARGO**

TABLE OF CONTENTS

Introduction _____	1	Operationalizing the	
Foreword _____	1	Anchor Collaborative _____	14
This Playbook _____	2	Governance _____	24
Understanding the		Securing Funding _____	26
Opportunity and Need _____	3	Conclusion _____	28
The Anchor Collaborative Model _____	4	A Collective Call to Action _____	28
Getting Started:		Appendix _____	29
Building Your Collaborative _____	7		

Acknowledgments

We are grateful to the many individuals and organizations who have contributed to the creation and evolution of the DC Community Anchor Partnership.

Leadership Acknowledgement

Our sincere thanks to Stephen Glaude, Founder of DCAP and President and CEO of The Coalition, whose vision brought this project to life and whose leadership continues to drive its impact.

Playbook Authors

Phillip Berkaw
Carolyn Bowen

Funders

Council of the District of Columbia
District of Columbia Office of the Deputy Mayor for Planning & Economic Development
JPMorgan Chase
Kaiser Permanente of the Mid-Atlantic States
Nareit Foundation
Wells Fargo

DCAP Institutions

Adventist HealthCare
American University
Bridgepoint Healthcare
Capital One Arena
Children's National Hospital
DC Water
Georgetown University
George Washington University Hospital
Johns Hopkins Health System

Kaiser Permanente of the Mid-Atlantic States
Maryland Transit Solutions
MedStar Health
Metropolitan Washington Airports Authority
Pepco
Saint Elizabeths Hospital
University of the District of Columbia
Whitman Walker Health

Special Thanks

Clark Construction
Consortium of Universities of the Washington Metropolitan Area
Council of the District of Columbia
DC Councilmember At-Large Kenyan McDuffie
DC Council Chairman Phil Mendelson

DC Deputy Mayor Nina Albert
DC Mayor Muriel Bowser
Hayat Brown
Johnson Cooper Consulting, Inc.
Lindsey McClenney
Local Initiatives Support Corporation
MCN Build
Zach Komes



INTRODUCTION

Foreword

Washington, DC is home to more than two dozen “anchor institutions” - hospitals, universities, and public utilities - that make billion-dollar purchasing decisions every year. Yet, when The Coalition (formerly CNHED) analyzed where District hospitals and universities were spending their money, we found that less than 3% was awarded to local small businesses. With the dual goals of generating economic opportunity for District-based businesses and helping anchor institutions boost their local impact, the DC Community Anchor Partnership (DCAP) was born.

Through sustained collaboration, strategic investment, and a strong focus on outcomes, DCAP has reshaped the way major institutions in Washington, DC think about procurement. Since its launch in 2017, DCAP has helped drive more than a billion dollars in institutional spending to DC Small Business Enterprises (SBEs). That number represents real contracts, real revenue, and real jobs. And it proves that institutions can boost competition and cost-savings while creating economic opportunity locally.

But we know this work does not happen on its own.

DCAP's success is a testament to the intentionality of our institutional partners - hospitals, universities, and major employers who have opened their procurement processes up to local firms. We have been blessed with many champions within these institutions, from procurement professionals to C-suite leadership, who understand that inclusive purchasing is good business, strengthens communities and advances their institutional missions.

We are incredibly grateful to the funders who have invested in DCAP over the long term. Our funders recognize that true systems change cannot be achieved in a single grant cycle. Their trust in us has allowed DCAP to evolve from an ambitious idea into a nationally recognized model for small business growth and economic mobility.

THIS PLAYBOOK

The Coalition developed this playbook as a practical strategy guide for anchor institutions, economic development leaders, or funders looking to expand economic opportunity through institutional procurement. It also delves into the day-to-day methods that DCAP uses to help anchor institutions achieve their goals, including:

- **Procurement Consulting:** DCAP works with procurement professionals to re-engineer procurement processes.
- **Tracking & Accountability:** DCAP monitors, tracks, and reports on institutional spending with local small businesses.
- **Business Referrals:** DCAP reviews RFPs from institutions and identifies, vets, and conducts outreach to qualified businesses within its network.

We encourage others to adapt these strategies to their local context and build on the success The Coalition has been able to achieve in DC.

Stephen Glaude

President & CEO
The Coalition

Phillip Berkaw

Senior Director
DC Community Anchor Partnership
The Coalition



UNDERSTANDING THE OPPORTUNITY AND NEED

Who Benefits from Institutional Procurement?

Every year, Washington, DC's hospitals and universities spend over \$2 billion on goods and services, funding everything from construction projects and IT services to catering and medical equipment. Yet, in 2017, less than 3% reached local small businesses, despite DC having a robust local supplier base in key institutional spending categories.

We asked a simple question: How would shifting just 5% of that spend to local firms impact the District?

The answer: It would mean \$100 million more dollars circulating in our city annually and the creation of 900 additional jobs. **The return on investment would be massive.** Scaled nationally, where US anchor institutions directly employ nearly 10 million people and create \$1.7 trillion in economic activity, this would represent a seismic shift for local economies.

The Importance of Local Small Businesses in DC

Small businesses are the backbone of DC's economy, where they comprise 98% of all businesses and employ roughly 48% of the city's workforce. These businesses contribute



DISTRICT SMALL BUSINESSES

MAKE UP **98%** OF ALL BUSINESSES &
EMPLOY ROUGHLY **48%** OF WORKERS

significantly to the local economy in terms of job creation and asset development, often in communities facing the highest barriers to employment.

Yet, many small businesses struggle to scale their operations because they lack access to large, stable contracts. **That's why procurement matters.**

The "Anchor Collaborative" Approach

The DC Community Anchor Partnership - an anchor collaborative - was formed in 2017 to strategically remove barriers to procurement, increase small business readiness, and embed inclusive contracting into institutional policies.

DC is a leader in small business growth. While progress is being made, the reality is that this is only sustainable if businesses can fully participate in the local procurement economy.

KEY CONSIDERATIONS

- What are the major areas of spending for your region's largest institutions (healthcare, education, transportation, construction)?
- Are there local businesses that are underrepresented in the spend of your region's largest institutions or in specific spending categories?
- Are there industries or procurement categories that are seeing major growth in your region (e.g. federal infrastructure spending, renewable energy projects, large-scale real estate development)?
- Have you explored launching an initiative focused on connecting local businesses to these opportunities?
- Are there local businesses that are already competitive in these areas but lack access to major contracts?
- Are there sectors where small businesses could pivot to meet growing demand?

THE ANCHOR COLLABORATIVE MODEL

The Power of Anchor Institutions

Anchor institutions, such as universities, hospitals, and large utility companies, spend billions of dollars annually on procurement, hiring, and investing. The Health Anchor Network (HAN), a national organization supporting health systems to expand their economic impact, developed a framework for institutions to leverage their **purchasing, hiring, and investing** power for local impact. By aligning these core activities with community needs, anchors can:

- Strengthen their local economy by contracting with small and local businesses.
- Create stable, good-paying jobs for residents.
- Invest in the long-term economic mobility of historically excluded communities.

In implementing our work with anchor institutions, The Coalition prioritized purchasing, and specifically, **local procurement**. This decision was driven by three key factors:

1. **Locus of Control:** Although hiring and institutional investments contribute meaningfully to the economic footprint of an institution, they are largely influenced by regional policy factors, labor markets, and external economic conditions. Procurement is an area where institutions have direct decision-making power.
2. **Practical Focus:** Concentrating on a single area allowed DCAP to develop deep expertise and maximize its impact.
3. **Mission Alignment:** The Coalition's economic development efforts already focused on small business support.

Local procurement efforts don't just benefit businesses that win contracts – it creates a **multiplier effect** across the economy. When small businesses secure stable, high-value contracts, they expand, hire more employees, and reinvest in their communities.



Anchor Collaboratives:

Why Should Institutions Work Together?

Universities, hospitals, and major employers are major economic engines. Alone, each institution has limited influence. When they band together, they can make an impact greater than the contribution of any single institution.

An **anchor collaborative** is a network of place-based institutions that coordinate local economic development efforts to maximize collective impact. They leverage shared resources, best practices, and their collective organizational influence to address complex issues - or, in DCAP's case, local procurement.

Collaborative Value: Strength in Numbers

Anchor collaboratives bring institutions together to coordinate efforts, refine strategies, and share best practices. One of the key benefits of a collaborative with shared goals and progress tracking is "supportive accountability".

DCAP's local procurement network also provides immense value simply by connecting peers who face similar challenges in the same city. These peer-to-peer connections help break down silos and create institutional relationships that sustain the work.

➤ **SUPPORTIVE ACCOUNTABILITY**

is a non-punitive framework for helping institutions achieve their goals. It means that institutions are held to their commitments through shared learning, peer support, and structured progress tracking.

➤ **COMMUNITY PROCUREMENT:** Health systems often set goals to ensure their supplier base reflects the communities they serve, aligning procurement with community demographics.

"Real estate thrives off strong, resilient local communities. DCAP is one of the most promising models for our industry in showing how large institutions can direct their spend to help scale small businesses and advance prosperity across the neighborhoods in which our members live, work and play."

- AYRIS SCALES

Senior Vice President of Social Responsibility & Global Initiatives,
National Association of Real Estate Investment Trusts (Nareit)

Institutional Value: Aligning Procurement with Organizational Strategy & Mission

For anchor institutions, identifying opportunities to contract with small and local businesses isn't just a "feel good" box to check, it gives them an essential strategic advantage.

➤ **Increased competition** by expanding the



THE SMALL BUSINESS ADMINISTRATION FOUND THAT **\$1 MILLION** IN
SMALL-BUSINESS CONTRACT SPENDING TRANSLATES INTO ROUGHLY **9 JOBS**

vendor pool can lead to better pricing and quality, especially in categories where local vendors could have an edge (e.g. last-mile delivery, laundry, marketing, etc.)

- **Enhancing institutional reputation** and strengthening relationships with policymakers and the community.
- **Fulfilling regulatory requirements**, including any local, state, or federal requirements around utilizing local, diverse, or disadvantaged vendors.

Community Value: Job Creation and Economic Stability

Institutions benefit from operating in communities that are economically stable. Given the job-creating potential of small

businesses, particularly in under-resourced communities, investing in their success can be good business.

- More institutional contracts → More small business growth → more hiring of local residents
- Stable contracts allow businesses to offer more permanent employment opportunities, higher wages and better benefits.
- Entrepreneurship is a proven pathway to intergenerational wealth-building.

It's not only the value of goods and services that institutions obtain when they contract locally, they generate additional value in the form of job creation and economic stability.

KEY CONSIDERATIONS

- ➔ Which institutions play a major role in your region's economy via hiring, purchasing, or investing?
- ➔ How economically dependent is your region on the contributions of health systems, universities, and utilities?
- ➔ Are there existing anchor collaboratives that align with the institutional composition of your city or region, from which you can learn?

GETTING STARTED: BUILDING YOUR COLLABORATIVE

Laying the Groundwork

To win early buy-in from institutions, funders, and local leaders, you need to have done some careful groundwork. Thoughtful upfront analysis, and a clear-eyed understanding of the motivations of anchors will strongly support your efforts. The following steps outline how to approach this stage of building your collaborative.

➤ DEMAND-SIDE ANALYSIS

Without detailed spend data from institutions (more on that in the next section) digging into Form 990s and expense reports from universities and hospitals can uncover key spending patterns. Redirecting just a small percentage of institutional spending toward SBEs could spark major economic growth and boost equity in procurement.

➤ SUPPLY-SIDE ANALYSIS

Every city has a unique small business landscape. In DCAP's case, we used Census data, data from Dun & Bradstreet, and local studies to paint a clear picture of the availability of SBEs in high-demand industries.

"Invest some time in your analysis. Know what your landscape looks like. That's going to frame all of your early conversations."

- STEVE GLAUDE
President & CEO, The Coalition

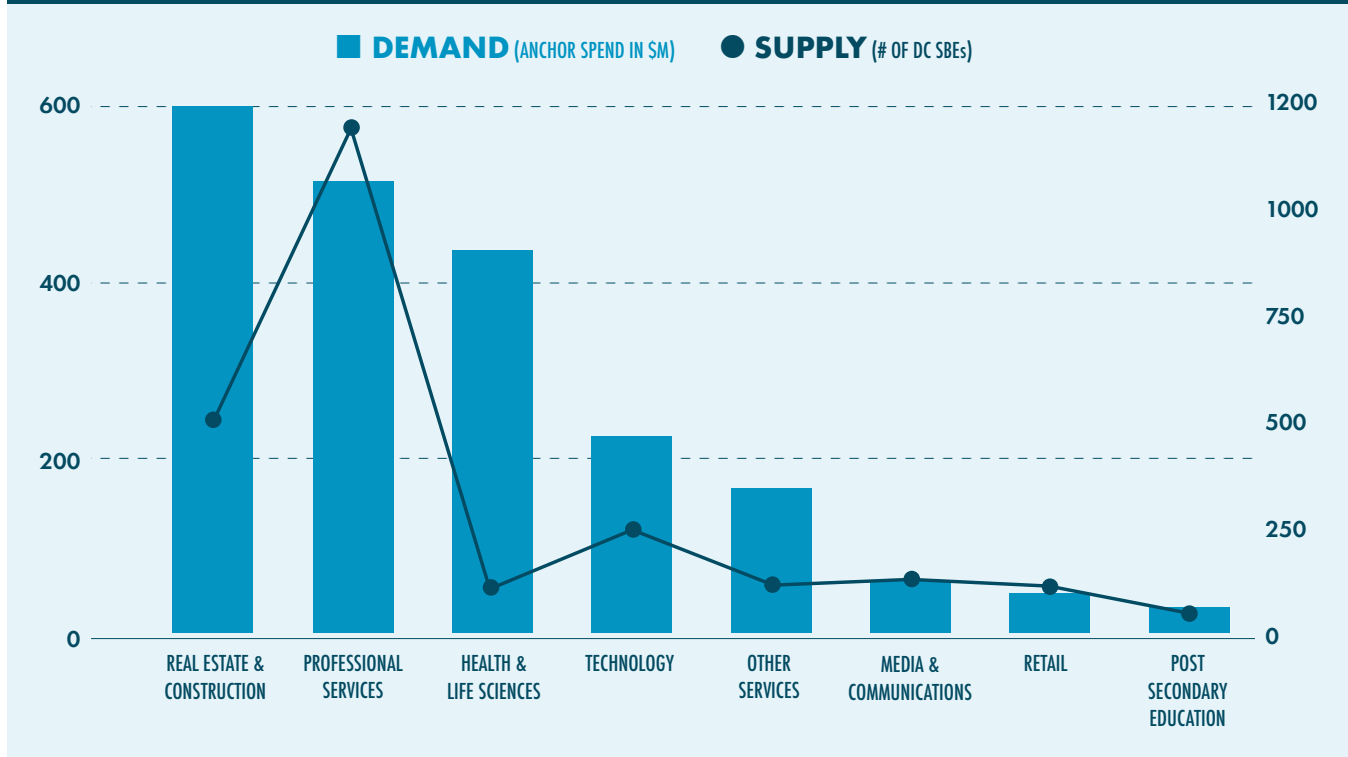
Step 1: Initial Research & Data Collection

Before proposing your anchor collaborative to funders or institutions, you need to be armed with real data and insights. Institutions and funders respond to stories. Numbers help you tell those stories and prove your collaborative's viability and potential impact.

From the start, we suggest mapping out **what anchor institutions are buying and which local businesses are ready to meet that demand**. To drive real change in local procurement, you need to understand both who's spending and who's supplying—that's where demand-side and supply-side analysis come in.

By completing this type of demand and supply analysis, you can begin to understand where there may be opportunities to increase contracting with local suppliers.

DEMAND AND SUPPLY ANALYSIS



“DCAP isn’t just a partnership but a dynamic alliance uniting local government, The Coalition, and Washington, DC’s premier anchor institutions. Having witnessed its impact firsthand, I can confidently say that it has transformed local businesses by unlocking once out-of-reach opportunities, sparking growth, and innovation throughout the District.”

- COUNCILMEMBER (at large) KENYAN MCDUFFIE
Council of the District of Columbia

Step 2: Selecting a Convening Organization

There needs to be an organization that brings institutions in the anchor collaborative together, manages relationships, coordinates efforts, and drives results. This is your convening organization. These organizations can be:

- **Nonprofits:** Often taking the lead as fiscal sponsors and project planners, nonprofits play a critical role in driving antipoverty and community development initiatives. Cities like Newark and Washington, DC showcase successful nonprofit-led models.
- **Foundations:** Health, private, and community foundations have helped launch, house, and fund collaboratives, especially in the early stages. Community foundations also identify gaps, foster partnerships, and ensure impact measurement.

- **City Governments:** Local governments may serve as the spark, or an active participant, helping to align economic opportunities with community needs.

Important features of a potential convening organization are:

- **Strong and Experienced Leadership**
 - ▶ *Access to and credibility among local corporate and government leaders*
 - ▶ *Track record of interpreting and designing solutions to complex challenges*
- **Fundraising and Connection to Local Economy**
 - ▶ *Ability to fundraise & connectivity to local philanthropic community*
 - ▶ *Strong connection to local small businesses*
 - ▶ *Plays a role in economic development or small business ecosystem*
- **Skilled Staff**
 - ▶ *Employed or contract employees with procurement experience*
 - ▶ *Capable and proven back office including human resources and operations.*

Advantages to Co-Convening with Local Government

If your convening organization has a productive relationship with local government, there may be advantages to formally partnering with them. Engaging government leaders early—whether through the mayor's office or a receptive council member—helps align your efforts with their policy goals and secures necessary support. There are multiple advantages to this approach:

- **Alignment Amplifies Impact:** If your initiative is woven into the broader policy strategy of your local government, you gain additional resources, policy support, and higher visibility. It's a force multiplier.



A PUBLIC-PRIVATE PARTNERSHIP

Co-Convening with the DC Deputy Mayor

DCAP is co-convened by the Deputy Mayor's Office for Planning & Economic Development (DMPED). When DCAP was getting off the ground, The Coalition applied for the Wells Fargo Conference of Mayors Innovation Grant, which required a letter of support from the applicant's mayor. Although The Coalition did not win the grant, the DC Mayor's staff recognized the initiative's potential and invited The Coalition to join the strategy committee responsible for developing the city's next five-year economic plan. This initial outreach to the Mayor's office led to a longstanding collaboration and sustained financial support.

- **Initiative Growth & Problem-Solving:** Government participation attracts new anchor institutions and fosters engagement with less active ones.
- **Engagement on City-Financed Projects:** When public dollars support major institutional development projects, government involvement helps hold prime contractors accountable for working with local subcontractors.

Since anchor institutions already partner with the government on land use, tax incentives, and development funding, co-convening naturally reinforces shared economic and community objectives. However, changes in city leadership can disrupt progress; the convening organization should seek methods of insulating themselves against mayoral turnover.

Step 3: Approaching Anchor Institutions

Inviting the “right” institutions to join and making a compelling case for their participation is critical to your collaborative getting off the ground. There are a few different ways to get in the door:

- A bottom-up approach that targets procurement offices first.
- A middle-out strategy that engages institutions' community and government affairs teams.
- A top-down method that seeks support from C-suite executives or institutional board members.

While top-down C-Suite buy-in is ideal, alternative pathways may be necessary if direct access is limited.

➤ **LEVERAGING FIRST MOVERS**

Highlighting early successes
(e.g. small contract wins or institutional participation in vendor outreach events)
within your first year
is a good strategy for encouraging additional institutions to join.

“There are a lot of paths up the mountain. It doesn’t matter which one you take, as long as you get to the top.”

- STEVE GLAUDE
President & CEO, The Coalition

Start Where You Have Relationships

Start by engaging anchor institutions where trust and collaboration already exist. Do you or your organization have strong connections to an individual(s) at the institution who is a champion for your cause and who can facilitate the partnership? It is helpful to have someone who can:

- Introduce you to the procurement team and participate in early meetings to generate buy-in and momentum.
- Clearly sees the institutional value in participating, even if the procurement team doesn't yet.
- Communicate with and brief C-Suite leaders on the initiative and gain their support.

Institutions with public-facing commitments to economic inclusion and community development may be among the first to express interest in joining. However, some organizations are more adept at signaling support than actively following through. They may join multiple initiatives without dedicating the necessary resources for meaningful participation. This is why prioritizing institutions where you have existing relationships is key.

Step 4: Tailoring Your Pitch

Developing an effective approach for engaging anchor institutions requires tailoring strategies to local dynamics, including institutional relationships and economic ecosystems. To get their buy-in, you need to clearly articulate the strategic value of joining. This means describing how the collaborative's goals align with their mission and advance their strategic priorities. In short, be prepared to answer: "What's in it for them?"

What's In it For them?

Your role is to align each institution's priorities with a compelling reason to engage in the collaborative. These motivations typically fall into three categories: Compliance, Cost & Competition, and Mission.

COMPLIANCE: DOING WHAT'S REQUIRED

At the foundational level is **Compliance** - simply doing what's required by local regulations or state and federal mandates. Institutions consider compliance essential to their operational viability. As a member of your anchor collaborative, **you will help them meet these requirements.**

Below are some examples.

INSTITUTION EXAMPLE	MANDATING ENTITY	TARGET BENEFICIARY	EXAMPLE
UNIVERSITY	Local Government (City regulatory requirements)	Local Businesses	A university that receives local public financing for capital projects may need to comply with explicit goals for local contracting or minority business participation.
HEALTH SYSTEM	Federal Government (IRS via Affordable Care Act - CHNA Requirements)	Local Community, addressing Social Determinants of Health	To retain their 501(c)(3) status, health systems must complete a Community Health Needs Assessment (CHNA) every three years and implement strategies to address identified local health needs, including economic determinants of health.
UTILITY COMPANY	Federal Government (EPA guidelines)	Disadvantaged Business Enterprises (DBE)	To receive federal funding and adhere to regulatory guidelines, utilities must meet specific contracting goals with Disadvantaged Business Enterprises (DBEs)

"If I buy things for the hospital, all I want to know is that there will be hospital gloves in the drawer, and they won't cost 5 cents more than they did last year."

- STEVE GLAUDE
President & CEO, The Coalition

COST AND COMPETITION: GETTING THE BEST PRICE

The next level is **Cost and Competition**. Institutions in your collaborative will have access to an expanded vendor pool, meaning increased competition and potentially lower prices.

You may face resistance among institutional buyers who do not believe there are competitive, local vendors in the categories they purchase for. In some cases, they may be right, particularly in cases where there is:

- **Lack of Economic Diversification:** Rural communities or regions that have historically relied on a single industry may not have an economically diversified base of local suppliers, limiting local options for institutional buyers.
- **Scarce or Expensive Real Estate:** In dense urban areas where real estate is limited or prohibitively expensive, it's rare to find competitive, local businesses operating large-scale warehousing, logistics, or industrial manufacturing facilities.
- **Limited Specialized Talent Pools:** Small towns and rural areas may face challenges in attracting specialized talent, particularly in fields such as IT or advanced technology,

since professionals in these sectors frequently cluster in larger urban centers.

It's important to understand the strengths and weaknesses of your local supply base, and what kinds of firms are likely to be competitive.

The COVID-19 pandemic also illustrated the institutional risk of over-relying on a single vendor in their supply chains for items like gloves, masks, and hand sanitizer. Integrating local vendors can provide institutions with more flexibility and increase supply chain resilience.

MISSION: THIS IS WHO WE ARE

At the highest level is **Mission**. Purchasing with local small businesses tends to align with the mission of most nonprofit anchor institutions. Large health systems and institutions of higher education often have public commitments to equity, inclusion, and social responsibility that extend beyond their core business - academics and medicine - and into economic well-being.

Your collaborative should be designed to help them advance that mission. Below are examples of how some institutions frame their mission in a way that would align with the goals of an anchor collaborative.

- A **nonprofit health system** publicly states a commitment to serving patients, caretakers, and the community.
- A **nonprofit health system** states that addressing the social determinants of health is a key aspect of its mission.
- A **public university** states its focus is on partnering with organizations in the region to address **societal challenges**.

Each of these examples signals potential synergy with the goals of your anchor collaborative. We recommend highlighting this synergy in your early discussions.

Step 5: Formalizing Partnerships

Memorandum of Understanding

When formalizing a partnership with an anchor institution, it is essential to establish expectations for the engagement in writing. One way to achieve this is through a Memorandum of Understanding (MOU). A template MOU is included in the appendix for reference.



DOCUMENTATION

The Coalition strategically made its Memorandum of Understanding a brief and painless document. By avoiding legalistic language, we made it easier for institutions to sign. This included an assurance from The Coalition that we would only report progress data in the aggregate as a collaborative; we would not report the spend data of individual institutions at any time. Depending on your local context, you may opt for a similar or more comprehensive agreement document.

At minimum, the MOU should outline the following elements:

- ▶ **Staff Designees:** The institution must appoint a group of staff to an internal action planning team to work with anchor collaborative staff, as well as a staff member to participate in cross-institution Procurement Working Group. Your internal action planning team might include:
 - ▶ *Director of procurement or strategic sourcing.*
 - ▶ *Key category managers (construction, facilities, real estate, communications, IT, etc.).*
 - ▶ *Supplier diversity leader(s), if applicable.*
- ▶ **CEO Briefing:** The institution will ensure that the CEO is briefed on the initiative's goals and expectations.
- ▶ **Data Sharing:** The institution agrees to submit its spend data to the anchor collaborative at least once annually.
- ▶ **Communications:** The institution agrees to support the external communications of the anchor collaborative as necessary.

KEY CONSIDERATIONS

- What does your local regulatory landscape look like with regards to local or diverse business participation? How can you align your initiative with these compliance requirements to incentivize institutional participation?
- Do you have existing relationships with anchor institution leaders or key staff?
- Does your local government have economic initiatives or priorities that could align with the goals of your anchor collaborative? Could they be brought on as a partner?
- Is there a critical mass of local small businesses in at least 1-2 key categories that institutions in your region purchase? Do you have access to data that can reinforce these insights?
- What public commitments have your local anchor institutions made to economic inclusion, or to working with the community?
- Would the institutions in your collaborative be comfortable with reporting their data publicly, or should you only report data in the aggregate across institutions?

OPERATIONALIZING THE ANCHOR COLLABORATIVE

Buy-in is not action. Institutions make public commitments to small and local contracting all the time, but without a structured plan, those commitments usually languish, and procurement teams return to the status quo. The challenge isn't convincing institutions of the mission - it's helping them execute in ways that actually shift spending patterns.

So how do you ensure a well-intentioned commitment to inclusive procurement doesn't get sidelined? How do you build trust and credibility with procurement teams, who might see this as just one more item on a never-ending to do list? And how do you create a shared vision that drives institutions to act?

From launch, the Coalition knew that advocacy wasn't enough. We needed a structured, data-driven, and collaborative approach that aligned institutional goals with real-world procurement outcomes. That meant:

- Building a high-impact and knowledgeable service delivery team.
- Establishing a baseline understanding of institutions' procurement spend.
- Refining a key line of services, including minority-business outreach and vetting.

[See Resource Library for DCAP's complete Theory of Change](#)

Building the Right Team

Large institutions generally operate within highly structured, risk-averse procurement systems. One of The Coalition's first learnings was that in-depth knowledge of the procurement industry would be essential to the success of the initiative. If procurement staff felt they had to educate The Coalition team about the basics of their own

"Procurement professionals speak a different language. We didn't speak it, so we had to find people who did."

- ZACH KOMES
Former Director of Strategic Partnerships, The Coalition

process, or had reservations about whether we could provide any real value, they would disengage.

We needed a team that could operate as a peer to procurement professionals, not just as outsiders pushing an agenda. In 2017, The Coalition developed a Request for Proposal (RFP), seeking a highly qualified consultant to provide several key services to DCAP and participating institutions. You can find the full RFP in the Resource Library; the basic requirements are below:

SERVICES	QUALIFICATIONS
<ul style="list-style-type: none"> ➤ Overall process and advisory support ➤ Baseline data-gathering and synthesis ➤ Action planning for each institution 	<ul style="list-style-type: none"> ➤ Experienced management consultant ➤ Experience in supplier diversity ➤ Local knowledge of the DC MBE landscape



The Coalition reviewed responses from more than 20 companies and ultimately signed an agreement with a local and women-owned boutique consulting firm called Johnson Cooper Consulting Inc. (JCCI). This would prove one of the best decisions the initiative ever made. JCCI, whose executive leadership was composed of the former directors of strategic sourcing and supplier diversity, respectively, at Verizon Global, are integral members of the DCAP team to this day.

As DCAP got off the ground, JCCI worked nearly full-time on the initiative. As a small firm just getting off the ground themselves, they were also enthusiastic and hungry to prove themselves.

They provided critical value, including:

- Supply chain management experience in large, complex procurement organizations.
- Experience leading change management efforts.
- Close relationships to small businesses in the region.

KEY ROLES ON THE DCAP TEAM

The following table outlines the essential members of the DCAP team. In some cases, multiple roles are played by the same person.

DCAP STAFFING ROLES



PROGRAM DIRECTOR

Ensures coordination across stakeholders, tracks milestones, and drives execution.

- **Phil Berkaw @ The Coalition**
Senior Director of DCAP



PROCUREMENT EXPERT

Understands institutional buying processes and policies.

- **Johnson Cooper Consulting Inc.**



CHANGE MANAGEMENT ADVISOR

Helps institutions integrate supplier diversity into organizational processes and ethos.

- **Steve Glaude @ The Coalition**
President & CEO
- **Johnson Cooper Consulting Inc.**



BUSINESS OUTREACH

Engages diverse suppliers and prepares them for procurement opportunities.

- **Johnson Cooper Consulting Inc.**



DATA ANALYST

Helps institutions track and analyze spending patterns.

- **Phil Berkaw @ The Coalition**
Senior Director of DCAP

Establishing a Baseline Understanding of Institutional Spend

Before an institution can improve supplier diversity, you and each institution needs to understand where its procurement dollars are going. Accurate spending data allows you to accomplish the following:

- Ensure future action is **data-driven**.
- Prevent **under-reporting** of impact spending.
- Provide **legal protection** against claims of discrimination or favoritism by grounding decisions in objective data.
- Maintain **buy-in and organizational momentum**.

SECURING DATA ACCESS

Institutions often don't automatically track every minutia of their spend, so you'll need to negotiate access to procurement spend data to analyze it. To protect both parties, we recommend instituting a data-sharing agreement as a component of an institution's Memorandum of Understanding (MOU) when they join the initiative. A copy of both resources is included in the Resource Toolkit.

- **WHAT IS TIER 2 SPEND?**
Money spent with subcontractors by large companies. Encouraging large companies to subcontract with smaller, local firms is one of the most effective ways to increase local procurement.

"DCAP, at its core, is about looking at the numbers and trying to level the playing field for local small businesses. We need to push for change on a systems level, and you really someone who can analyze and understand the data concretely in order to do that."

- NADINE DUPLESSY KEARNS
Vice President, Program Officer, Global Philanthropy,
JPMorgan Chase & Co.

Request spend data annually, right after the fiscal year ends. For DCAP, June 30 is the fiscal close, and we ask for submissions by July 31. This gives us a month to clean, enrich, and analyze the data before our annual strategic planning meetings in the fall. A data collection template is included in the Resource Toolkit.

At a minimum, request:

- Enterprise-wide spend data from the most recent fiscal year
- Vendor names and addresses
- Spend amount per vendor
- Payment date

Data that is nice to have:

- Department codes
- Payment date
- P-card data
- Tier 2 spend

CLEANING & ENRICHING DATA

Even with the assistance of technology and new AI tools, cleaning institutional spend data can be a labor-intensive process. To turn the raw data into something actionable means removing **non-addressable spend**. These are transactions that can't realistically be redirected to local or diverse businesses. You should remove:

- Taxes, fees, and regulatory payments
- Utilities, insurance, and debt servicing payments
- Payroll and employee reimbursements

DATA ENRICHMENT

Next, identify which vendors possess the certifications you are looking for. You can cross reference with databases published by the certifying agencies below or use a third-party data enrichment service.

Many companies specialize in matching

➤ WHAT IS ADDRESSABLE SPEND?

Only procurement dollars that could theoretically be redirected to a local or diverse supplier should be included in the supplier diversity calculations.

procurement data with certifications. As of today, here are some of the major ones:

- Supplier.io
- Dun & Bradstreet
- TealBook
- NectarIQ

Additionally, you might ask institutions whether they track some certifications already.

EXAMPLES OF CERTIFYING AGENCIES

CERTIFYING BODY	CERTIFICATION
National Minority Supplier Development Council (NMSDC), various county-, city- and state governments	Minority Business Enterprise
Women's Business Enterprise National Council, various county-, city- and state governments	Women Business Enterprise
US Department of Transportation	Disadvantaged Business Enterprise
US Department of Veterans Affairs	Veteran-Owned Small Business (VOSB) & Service-Disabled Veteran-Owned Small Business (SDVOSB)



ANALYZE AND PRESENT THE FINDINGS

With clean, enriched data in hand, the next step is identifying trends and setting a baseline for improvement. An adaptable PowerPoint template for sharing data findings with institutions is included in the Resource Toolkit.

KEY METRICS TO TRACK

- **Total Spend with SBEs:** What is the percentage of total procurement dollars awarded to target groups? How does this compare to industry benchmarks?
- **Geographic Distribution:** How much of their spend is staying in the region?
- **Spend by Category:** Which industries are not well-represented by target groups?

- **New Vendors:** Are they onboarding new SBE suppliers, or just working with the same few every year?
- **Departmental Differences:** Which departments are doing well, and which are under-contracting with target groups?
- **Contract Size Disparities:** Do diverse suppliers receive smaller contracts than non-diverse firms?

ADDITIONAL METRICS

To create additional value for anchors participating in DCAP, we have added analytical capability to our data enrichment process over time. These include insights about:

- **Supplier Risk:** What is the overall financial health of their supply base? Are there any large vendors that should undergo a risk evaluation?
- **Vendor Fragmentation & Consolidation:** Are they using multiple vendors for similar services; could they consolidate to negotiate better pricing?
- **Supply Chain Resilience:** Are they overly reliant on a single supplier for any critical functions?
- **Inactive Suppliers:** Are there vendors in their supply base that have permanently closed and need to be removed?

“Creating real economic opportunity means making sure DC residents can build lasting careers, own businesses, and stay in the communities they call home. That’s what this effort is all about.”

- CHAIRMAN PHIL MENDELSON
Council of the District of Columbia

Advising Institutions and Embedding Supplier Diversity into Procurement

It's a common refrain **that systems produce exactly the outcomes they are designed to produce**. If an institution isn't awarding contracts to local or small suppliers today, it's because the procurement system likely isn't built to prioritize that outcome. And there are a myriad of challenges facing procurement teams in implementing change, including:

- **Conflicting Priorities:** Institutions value cost control, efficiency, and risk mitigation. Progress will stall if local procurement is viewed as counter to those objectives.

- **Limited Market Knowledge:** Unfamiliarity with local small businesses.
- **Lack of Internal Incentives:** Procurement teams are not evaluated or rewarded for local purchasing.

At The Coalition, our role isn't only to advocate for change, it's to help institutions embed local contracting into their procurement structures in ways that make it stick. This means focusing on policy, accountability, and process improvements.

THE “PEOPLE, POLICY, PROCESS” FRAMEWORK

Our work advising institutions involves aligning three key elements:

DIMENSION	KEY QUESTION	EXAMPLES (INCREASING COMPLEXITY)
PEOPLE	Who influences procurement decisions?	<ul style="list-style-type: none"> ➤ Establish “champions” within executive leadership. ➤ Educate procurement teams on local procurement strategies. ➤ Integrate local procurement into performance evaluations.
POLICY	What formal commitments shape procurement?	<ul style="list-style-type: none"> ➤ Define clear metrics for tracking. ➤ Adopt local purchasing spend goals. ➤ Require prime contractors to report Tier 2 spend.
PROCESS	How do procurement decisions get made?	<ul style="list-style-type: none"> ➤ Implement proactive vendor outreach and matchmaking. ➤ Right-size payment terms and insurance requirements for small businesses. ➤ Automate Tier 2 spend tracking.

Credit: Johnson Cooper Consulting, Inc.

- **SECURE EARLY WINS.**
Institutions don't move at the same pace, so prioritize securing small, early wins (small catering or facilities contracts, for example) that can build momentum for big structural changes later. Celebrate these wins visibly and loudly.

NO ONE-SIZE-FITS-ALL APPROACH

Institutions participating in DCAP began from different baselines of familiarity with local contracting. Some had robust systems already established with committed executive leadership, and strict accountability mechanisms. Others had never analyzed their local spend before. Because of this, we never take a one-size-fits-all approach and always adapt our strategy based on each institution's procurement maturity.

For Institutions Just Getting Started:

- Begin with spend tracking and baseline assessment.
- Focus on education and internal stakeholder engagement.

For Institutions with Existing Local Contracting Initiatives:

- Improve supplier outreach and matchmaking efforts.
- Strengthen accountability mechanisms through executive and department-level reporting.
- Expand Tier 2 strategies requiring prime vendors to engage small and local subcontractors.

For Advanced Institutions:

- Leverage their leadership and best practices by sharing with other institutions.
- Help establish mentorship and capacity-building programs for small businesses.
- Encourage joint ventures between large firms and local small businesses.

Institutions change when policies, incentives, and procurement processes are structured to award inclusive purchasing. Your job isn't just to encourage institutions to care, it's to help them change the rules of the game so that small and local businesses have a fair shot at winning.

"Buyers only want to know three things: Has the company been doing this for a long time? Are they reliable? And can they do it fast?"

- PHIL BERKAW
Senior Director, DC Community Anchor Partnership,
The Coalition

Referring & Vetting Local Businesses for Institutional Contracts

Breaking into institutional procurement can be daunting for a small business, even if they are fully qualified. They often lack the relationships, visibility, and insider knowledge that large firms possess to consistently win contracts. At the same time, procurement teams too often default to familiar vendors under the assumption that no small local suppliers are available.

This is one of the areas DCAP has played a critical role - serving as the connective tissue between institutions seeking reliable vendors



- **ENHANCED VETTING.** Some institutions may require deeper due diligence before engaging a supplier, especially for high-value contracts. In these cases, The Coalition implements an “Enhanced Vetting” process which is outlined in the Resource Toolkit.

and local firms who are ready to compete. Your ability to make timely, strategic, and high-quality business referrals can directly impact whether local small businesses win contracts.

KEY INGREDIENTS FOR EFFECTIVE REFERRALS

To build credibility with both institutions and businesses, your referral process should be structured and consistent. At a minimum, you'll need:

- **Relationships with local suppliers** in high-demand categories (construction, facilities management, IT, communications and marketing, management consulting).
- An up-to-date **small business database** tracking industry & NAICS codes, certifications, geographic service areas, and company size.
- A **clear vetting process** that evaluates businesses for:
 - *An active website and professional online presence*
 - *Relevant certifications (DBE, LEED, SBE, etc.)*
 - *Capabilities that match the specific procurement need*
 - *Insurance and bonding requirements (where applicable)*
 - *Relevant industry experience (where applicable)*
 - *Basic revenue threshold (e.g. \$500K+ annual revenue for larger contracts)*



HOW INSTITUTIONS REQUEST VENDOR REFERRALS

To respond efficiently, institutions should provide a clear description of what they need. A vague request like “we’re looking for local construction companies” is not actionable enough.

Real-World Example: Courier Services RFP

Objectives: Our goal is to secure a top tier, cost-effective courier service provider with robust SLAs and end-to-end tracking.

Scope 1: Propose pricing for scheduled and on-demand routes at [Institution], including breakdown by delivery type.

Scope 2: Provide responses regarding compliance with service levels, tracking capabilities, and cost efficiency.

“Small businesses are at the heart of how we create jobs and build stronger neighborhoods. This work helps more local businesses grow and hire right here in the District.”

- NINA ALBERT, Deputy Mayor
DC Office of the Deputy Mayor for Planning & Economic Development

With this level of detail, you can identify the right vendors - not just offer a generic list. For basic vetting, we request 5 business days to conduct outreach, verify compatibility, and refer the vendors.

FOLLOWING UP AFTER REFERRALS

It is critical that you offer feedback and guidance to businesses that you refer for opportunities, otherwise you may be setting them up to fail. Helping them understand how to bid competitively, structure their pricing, and navigate institutional red tape can make a significant difference.

For Businesses:

- Do they need help preparing an RFP response?
- If awarded, do they need support negotiating the contract or insurance requirements?
- Would they be more competitive by forming a joint venture or pursuing subcontracting opportunities?

For Institutions:

- Was the vendor invited to submit a proposal?
- How did the vendor perform in the bidding process?
- If awarded, is the vendor meeting expectations?



UNIVERSITIES

Georgetown Small Business Corps

Universities can do more to support local businesses than just leveraging their procurement dollars. Teams of students from Georgetown's McDonough School of business work with local businesses to drive operational efficiency, pricing strategy, and procurement navigation over a semester.

CLOSING THE LOOP

One of the biggest frustrations for small businesses is the lack of transparency when they lose a bid. Without feedback, they don't know if they were close, what went wrong, or how to improve.

On the flipside, institutions should view feedback positively. It builds trust, ensures that vendors stay engaged, and strengthens the overall supplier pool. Whenever possible, The Coalition advocates for a simple, structured debrief that includes:

- Why their proposal wasn't selected (pricing, scope alignment, incomplete response).
- What they did well and where they can improve.
- When future opportunities may arise.

Operationalizing your anchor collaborative requires a strategic, data-driven approach that builds real trust with procurement teams and drives measurable change in spending patterns. By assembling a team that understands institutional procurement, leverages robust data, embeds inclusive practices into procurement systems, and carefully matches local businesses to tangible opportunities, you can create lasting economic impact.

KEY CONSIDERATIONS

- ➔ Do you have sufficient staffing resources to sustain the collaborative's activities over the long-term?
- ➔ Do you have a deep knowledge of institutional procurement practices, or will you need to bring in specialized consultants?
- ➔ What is the "sweet spot" for the number of institutions you can reliably provide the services outlined above to?
- ➔ Do you have existing connections with local businesses and economic development organizations, or will you need to build those partnerships?
- ➔ How will you adapt your approach based on each institution's existing procurement maturity and internal capacity?
- ➔ Will you primarily focus on vendor readiness (supporting local suppliers to respond effectively to institutional RFPs) or on systems change within institutions?
- ➔ Do the institutions in your collaborative have existing vendor vetting procedures/criteria in place that you should align with?

GOVERNANCE

Building Effective Advisory & Working Groups

Your anchor collaborative will benefit from a structured governance framework with clear roles and defined objectives. These structures ensure continuous engagement from key stakeholders, create access to new knowledge and funding networks, and help sustain political commitment over the long term.

We recommend at least two core governance structures:

- **Procurement Working Group:** A peer learning hub specifically for procurement professionals in the collaborative, focused on sharing best practices, progress updates, and driving supplier diversity implementation.
- **Community Advisory Board:** A strategic network of cross-sector leaders and connectors who provide access to funding, critical industry relationships, and specialized expertise.

PROCUREMENT WORKING GROUP

DCAP's Procurement Working Group meetings serve as strategic peer-to-peer collaboration opportunities. Typically, these meetings include:

- **Institutional Updates and Peer Learning:** Each institution provides brief updates on current procurement activities, successes, and challenges. Members exchange insights on local contracting implementation and strategy refinement.
- **Best Practices:** Dedicated sessions on emerging practices in supply chain management, local contracting, presentations from national procurement experts, and case studies from within and beyond DCAP institutions.

"We are committed to delivering the best value to our patients and members, and we know that supporting small, local suppliers does just that. By strengthening competition and sparking innovation, our partnership with DCAP helps translate our commitment into real contracts that grow small businesses and create lasting community impact."

- PGEORGE L. LEVENTHAL, PH.D.
Director, Community Health, Kaiser Permanente

- **Data and Impact Reviews:** Regular reviews of institutional spend data to track progress, identify gaps in local spending, and align collective efforts for greater impact.

Meetings are held quarterly, typically last 90 minutes, and occur either in-person at a space hosted by an anchor institution or virtually.

[Example meeting materials and agenda are provided in the Resource Toolkit.](#)

COMMUNITY ADVISORY BOARD

The Community Advisory Board consists of influential local leaders, funders, and industry experts who significantly expand DCAP's network and resource base. They provide strategic access and insights that strengthen DCAP's capacity and outreach. Specifically, board members:

- Facilitate connections to funding sources, including private foundations, philanthropic networks, and public funding opportunities.



- Represent industry-specific organizations and networks critical to advancing supplier diversity (e.g. certifying agencies, chambers of commerce, or trade associations).
- Offer insights into regional economic dynamics affecting local procurement initiatives.
- Include a small number of representatives from select anchor institutions actively engaged in DCAP who can offer candid insights and peer guidance on institutional engagement strategies.

Community Advisory Board meetings typically focus on strategic guidance and resources development rather than tactical procurement efforts. As such, ensure that you have a specific strategic “ask” every time you convene a meeting with them. Their time is valuable, and they will expect to contribute in a meaningful way.

DCAP's Community Advisory Board initially convened tri-annually, but now meets as needed, typically two to three times a year, to align with evolving strategic needs.

KEY CONSIDERATIONS

- ➔ Are there organizational leaders in your region who would bring expertise and networks critical to your collaborative's growth?
- ➔ How will you ensure the agenda for each group reflects the highest priority issues for the stakeholders involved?
- ➔ Are there strategies you can deploy to keep high-level executives engaged over the long term?
- ➔ How will you ensure a diversity of perspectives on your governance bodies to reflect the full spectrum of community and institutional perspectives?
- ➔ Are there any topics or training that you think your procurement working group members may benefit from?

SECURING FUNDING

Funding an anchor collaborative is part-art, part-science. It involves persistence, carefully balancing long-term relationships, compelling storytelling, and strategic alignment. Ultimately, data will be your best asset for demonstrating impact and sustaining financial support.

As The Coalition's President and CEO Steve Glaude, often says, "don't quit until you've tried three times." Successful fundraising requires resilience, so keep refining your pitch and reinforcing your case until it resonates.

Leveraging Relationships

We'd be lying if we said relationships didn't help The Coalition get in the door. Longstanding partnerships with corporate funders were crucial to launching and sustaining DCAP. But relationships alone aren't enough; investors need proof their support is making a measurable impact.

Demonstrating Return on Investment (ROI)

Corporate partners, especially financial institutions, respond strongly to data-driven stories that highlight clear economic benefits. For banks, investing in initiatives like DCAP aligns directly with their strategic goals, such as increasing financial services to local businesses.

- Having robust data is critical - without it, your

pitch is based solely on enthusiasm.

- Clearly demonstrate alignment with corporate funders' strategic priorities and goals.

Importance of Data and Storytelling

Data proves impact, but stories move people to action. Over time, we've learned that combining data with powerful narratives of business owners' success, job creation, and community impact ensures ongoing investor support.

- Gather clear metrics such as jobs created, revenue growth for local businesses, and total local spend.
- Launch a newsletter to consistently report out stories that illustrate the human impact of the anchor collaborative's work.
- Periodically interview local suppliers to understand the supplier experience and share feedback with institutions and funders. This will help highlight successes, as well improve areas of weakness.
- Host a 'Reverse Industry Day' where local firms can meet with the institutions' procurement teams, as well as showcase their services and goods.



HELPING BUSINESSES SEIZE OPPORTUNITY

Pinkey Reddick, a resident of Ward 7 in Washington, DC, spent a decade working in franchise restaurants before deciding to start her own catering business in 2016. During the COVID-19 pandemic, when the hospitality industry was hit especially hard, Reddick, an existing partner with DCAP, was contacted by Steve Glaude, President and CEO of The Coalition. He asked if she had the capacity to provide meals for hospitals during this critical time. Using a commercial kitchen at a local church, her business took off. In addition to providing meals for hospitals, she was contracted by the Police Department to supply 10,000 meals for the 2020 Presidential Inauguration. As a result, her business grew from five employees to 26.

Government and Institutional Funding

Government grants or budget allocations provide important funding stability. DCAP is aligned with strategic priorities outlined by DC's Office of the Deputy Mayor for Planning & Economic Development (DMPED), which opened doors to ongoing funding.

Many collaboratives also ask participating institutions to contribute financially - typically between \$25,000 and \$50,000 annually. The Coalition currently chooses not to pursue this route due to uncertainty about anchor appetite, but it's a viable approach for building deeper institutional commitment.

Practical Considerations

Launching a strong anchor collaborative required an initial investment of about \$250,000. As the initiative scaled, funding needs naturally increased. For context, DCAP grew from four to 17 institutions over several years. With additional funding, DCAP significantly expanded by:

- Increasing analytical capabilities and institutional procurement consulting services.
- Launching new initiatives, such as the DCAP Portfolio program for high-performing local businesses.
- Engaging specialized partners, including Johnson Cooper Consulting, Inc., the Harvard Kennedy School of Government Performance Lab, and additional consultants on an as-needed basis.

"At Wells Fargo, we are committed to helping communities thrive by supporting financially resilient families, small business growth, and affordable places to call home. By collaborating with nonprofits, we're able to expand opportunities for individuals and businesses alike, paving the way for a stronger economy and lasting positive change."

- VICTOR BURROLA
Executive Director, Senior Lead Philanthropy and
Community Impact, Wells Fargo

The [Healthcare Anchor Network](#) also has a phenomenal breakdown of the types of funding anchor collaboratives rely on and real-world examples from collaboratives across the US.

KEY CONSIDERATIONS

- ➔ Would institutions be willing to financially contribute to your anchor collaborative?
- ➔ Beyond securing initial funding, are you planning explicitly for growth and future funding needs?
- ➔ How are the goals of your anchor collaborative aligned with funder priorities in your region?



CONCLUSION

A Collective Call to Action

Institutional procurement holds transformative potential. DCAP's journey in the District of Columbia illustrates that intentional collaboration, strategic partnerships, and consistent focus on measurable outcomes can drive economic opportunities for historically excluded businesses and communities. The successes and lessons captured here are a testament to what is possible when institutions commit to inclusive economic growth.

Whether you represent an anchor institution, lead economic development initiatives, or have the capacity to fund systems-level change, the tools and strategies provided in this playbook offer practical pathways to meaningful impact. By aligning procurement practices with principles of equity and local economic vitality, we can collectively bridge wealth gaps, create quality jobs, and build more resilient communities.

This is your invitation to act—to leverage institutional power, create innovative partnerships, and commit to long-term, measurable change.

Let's continue building together.



DC COMMUNITY ANCHOR PARTNERSHIP

An initiative of  **THE
COALITION**



727 15TH STREET NW | SUITE 600 | WASHINGTON, DC 20005
(202) 745-0902 | INFO@THECOALITIONDC.ORG

THECOALITIONDC.ORG

