

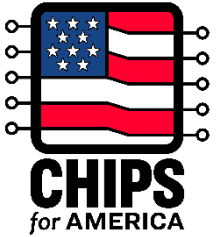
# CHIPS for America

Creating Inclusive Opportunities for Businesses



August 22, 2023

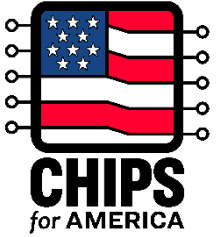
# WELCOME



Visit [CHIPS.gov](https://www.chips.gov)

- Get the Inclusive Business Opportunities Guide
- Access additional resources for applicants and stakeholders
- Sign up for email updates
- Register for future webinars

# Today's Speakers



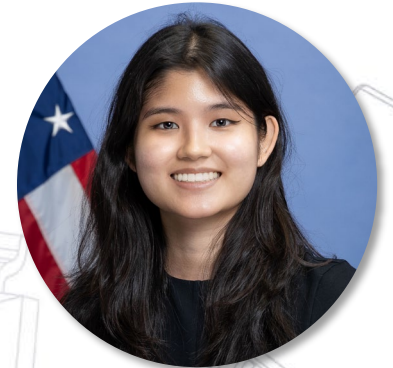
**Fayrouz Saad**  
Director of Public  
Engagement



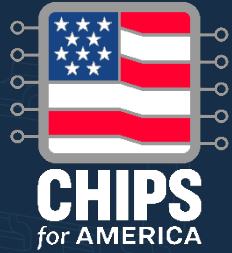
**Kylie Patterson**  
Senior Advisor for  
Opportunity & Inclusion



**Adam Schafer**  
Head of Supply Chain  
Strategy



**May Song**  
Summer Associate



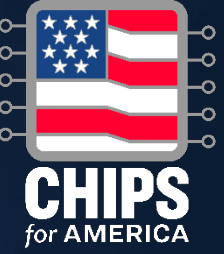
# AGENDA & OBJECTIVES FOR TODAY

## Agenda

- Overview of CHIPS for America and Priorities
- Discussion of the Vision for Inclusive Business Strategies
- Best Practices for Developing a Supplier Diversity Plan
- Application Submission
- Next Steps and Additional Resources
- Q&A

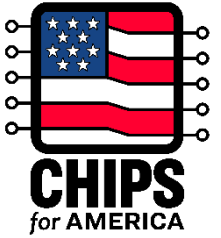
## By the end, attendees should understand

- What inclusive business opportunities entail
- Best practices for developing a supplier diversity program
- What we are looking for in an application submission regarding inclusive business opportunities



# Overview of CHIPS for America

# CHIPS for America Vision



## Economic Security

The CHIPS Act will strengthen supply chain security and increase economic resilience in critical sectors.



## National Security

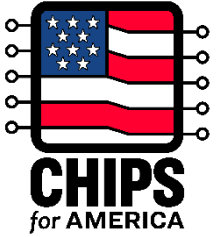
The CHIPS Act will ensure that the U.S. can manufacture advanced technologies, including secure chips for the U.S. military.



## Future Innovation

The CHIPS Act will spur innovation, increase competitiveness, and ensure long-term U.S. leadership in the sector.

# Funding Opportunities



February 28, 2023

June 23, 2023

For commercial leading-edge, current, and mature node fabrication facilities

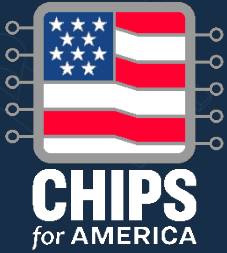
For large semiconductor materials and equipment facility projects \$300M+

For smaller semiconductor materials and equipment facility projects under \$300M

To support the construction of semiconductor R&D facilities

*Statements of Interest currently being accepted for all funding opportunities*

# Program Priorities



Economic  
and national  
security  
objectives



Commercial  
viability



Financial  
strength



Technical  
feasibility  
and  
readiness



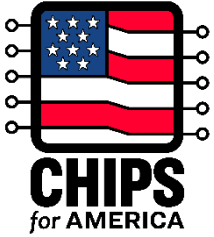
Workforce  
development



Broader  
impacts



# CHIPS Program Priorities





### Program Priorities



					
Economic and national security objectives	Commercial viability	Financial strength	Technical feasibility and readiness	Workforce development	Broader impacts

### Broader Impacts

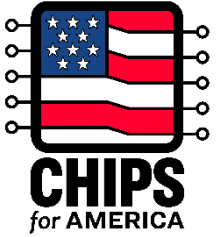


Commitments to future investment	Support for semiconductor R&D	Inclusive opportunities for businesses
Climate and environmental responsibility	Community investments	Domestic content preferences
	Upside sharing	

Inclusive opportunities for small, minority-owned, veteran-owned, and women-owned businesses

Commitments to inclusive business opportunities are **important to the success** of the CHIPS program.

# Related DOC Priorities



## Drive U.S. Innovation and Global Competitiveness

Revitalize U.S. manufacturing and strengthen domestic supply chains

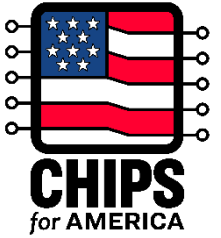
## Foster Inclusive Capitalism and Equitable Economic Growth

- Drive equitable, resilient, place-based economic development and job growth
- Advance high-growth small and minority enterprises

## Expand Opportunity and Discovery Through Data

Employ data-driven supplier diversity practices

# Inclusive Business Opportunities Vision



*The CHIPS & Science Act will:*

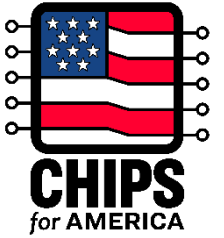
**Grow the economy** of the United States and support **job creation** in the United States;

Promote the **inclusion of historically and economically disadvantaged communities** and **small businesses**; and

Contribute to **community-based economic development** and **empowerment** as well as **innovation** and **supply chain resiliency** within the semiconductor industry.



# To achieve this vision, the Department is prioritizing applications that...

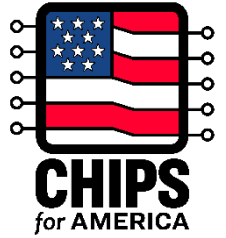


**1** Describe their **supplier diversity** plan, including the components of their strategy.

**2** Work with **partners to identify and engage with** small, minority-owned, veteran-owned, and women-owned businesses.

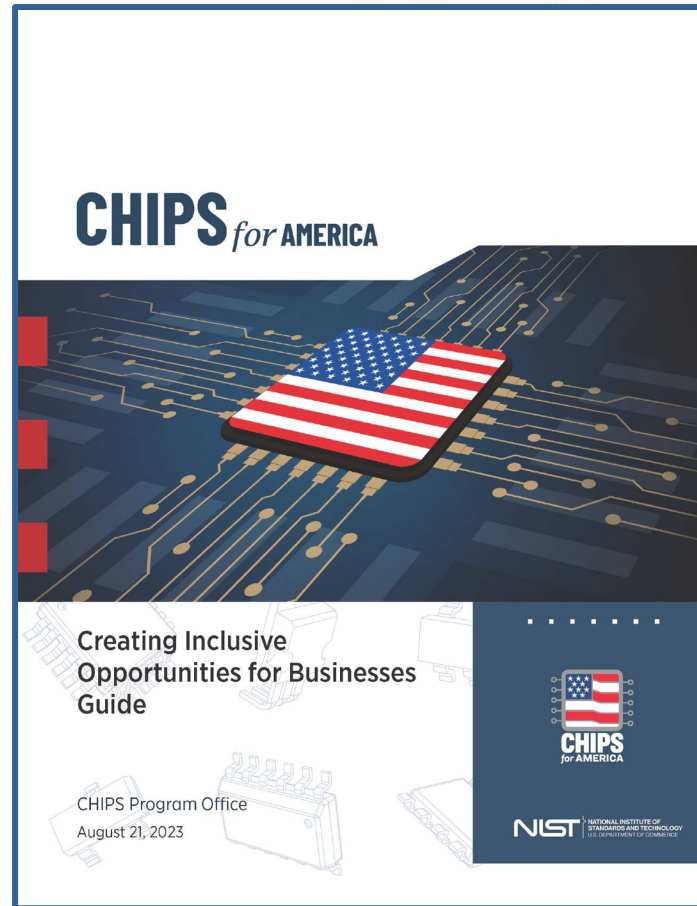
**3** **Track and disclose data** on supplier diversity and pursue other proactive engagement opportunities.

# This guide will help applicants think through the best models that work for them and submit strong supplier diversity plans



1. Value of Supplier Diversity

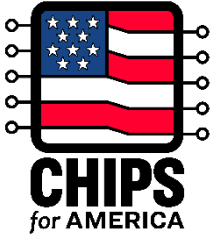
2. Supplier Diversity Plan



3. Submitting a Successful Supplier Diversity Plan

4. Appendix & Resources

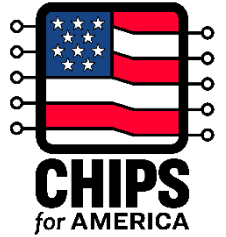
# Why Supplier Diversity?



<b>Community Vitality</b>	Address barriers to economic inclusion Job creation Economic empowerment
<b>Innovation</b>	Influx of new ideas and perspectives
<b>Supply Chain Resiliency</b>	Expand pool of suppliers in strained supply base



# Inclusive Business Opportunities



Creating business opportunities that are inclusive for all, including veteran-owned, minority-owned, women-owned, and small businesses

**Businesses can also help provide:**

Employee Services

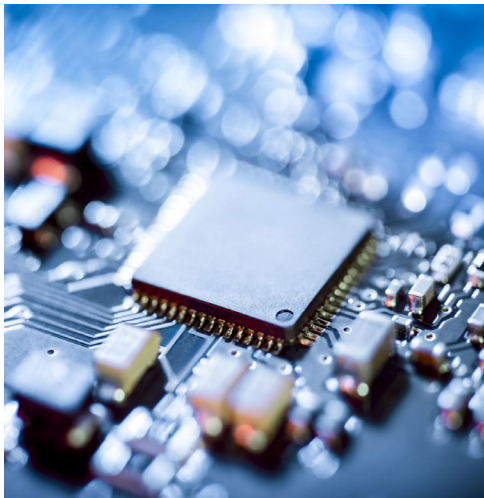
Factory Materials and Supplies

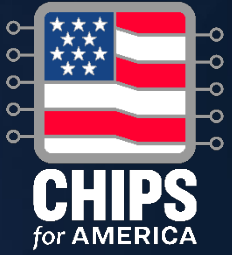
Sales and Marketing

Accounting and Site Planning Support

Legal Services

Construction & Contracting Services and Materials

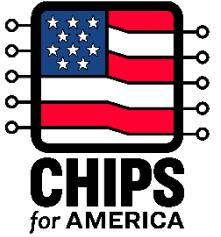




# Best Practices for Developing a Supplier Diversity Plan



# Overview of Supplier Diversity Plan



## Identify and Categorize Suppliers

Company reviews existing supplier base and current state of supplier diversity.

## Establish Program Targets

Company establishes the program's targets and how it will track and disclose supplier diversity data.

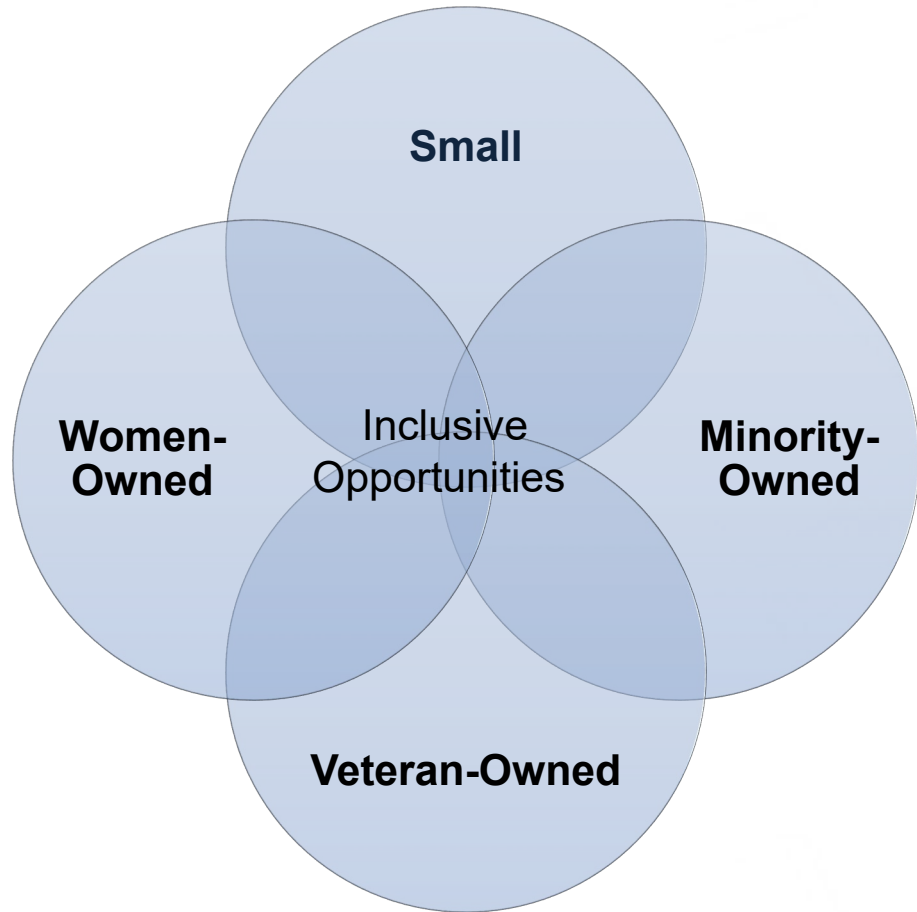
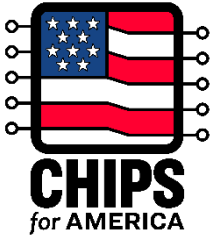
## Facilitate Outreach with Businesses

Company creates a robust outreach plan, engages outreach partners, and forecasts its needs.

## Institute Supportive Corporate Practices

Company treats industry-supplier partnerships as active relationships, helping suppliers grow.

# Identify and Categorize Suppliers



At least **51% owned or 51% of stock is owned** by minorities / veterans / women

There are multiple pathways to certification for minority-owned, veteran-owned, and women-owned businesses.

While not required, applicants can also consider LGBTQ+-owned businesses, disability-owned businesses, or businesses located in HUBZones or Opportunity Zones.

# Establish Program Targets

After assessing its current state of supplier diversity, applicants may consider issuing a policy statement with measurable targets. There are various ways applicants can set program targets:

## Spend Terms

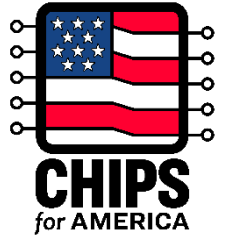
- Increasing diverse spend from \$X to \$X
- Reach \$X spending target within X number of years

## Supplier Count Goals

Reaching X suppliers by X amount of years

## Overarching Target

- X categories includes representation from small and diverse businesses
- X formal RFPs include small and diverse businesses



# Track and Report Supplier Diversity Data

Applicants should describe how they will track and disclose data on supplier diversity that is demographically disaggregated (e.g., race, ethnicity, gender, veteran status), including statistics on what share of suppliers are majority-owned by different groups.

## Diverse Spend

- Procurement spent solely with small and diverse businesses
- Consider expansion to tier 2

## Supplier Count

- Number of suppliers registered in systems
- Share of suppliers that are small, minority-owned, veteran-owned, and women-owned businesses

## Financial ROI

- Revenue from customers w/ diverse spend requirements
- Economic impact
- Dollars saved
- Grants received

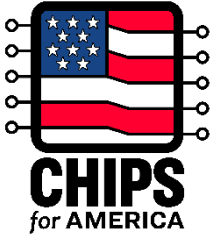
## Broader Impacts

- **Community impact:** Local employment and wages
- **Workforce metrics:** Job creation, hiring, and promotion

## Qualitative Metrics

- Quality of company's relationship with their suppliers
- Survey suppliers + commodity managers

# Facilitate Outreach with Businesses



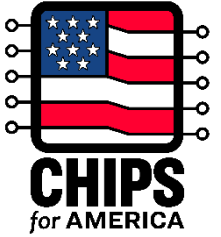
## Create a Robust Outreach Plan

- Ensure that small, minority-owned, veteran-owned, women-owned businesses are solicited for construction and production supply chain opportunities
- Participate in regional and national supplier diversity events and coordinate regular benchmarking with other companies

## Forecast Future Needs

Forecast upcoming needs to suppliers for more effective partnerships

# Engage with Outreach Partners



## Chambers of Commerce

- Local Chambers of Commerce have diverse supplier directories
- Minority Chambers of Commerce serve as certifying bodies, have vast networks, and act as a conduit between applicants and suppliers

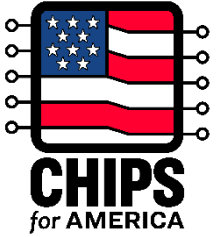
## Economic Development Agencies

- EDAs support existing businesses and entrepreneurs and recruit new businesses
- Assist with augmenting applicant's connections with community

## Minority Depository Institutions

- MDIs are federally insured depository institutions for which either 1) 51% or more of the voting stock is owned by minority individuals or 2) a majority of the board is minority and community served is predominately minority
- Information networking with MDIs

# Institute Supportive Corporate Practices



## Integration of Supplier Diversity

- Assign dedicated staff to develop and manage the program
- Develop vendor lists with diversity in mind
- Divide total supplier requirements into smaller tasks

## Mentor-Protégé

- Match executive mentors with "protégés" to help them grow
- Webinars, resources, support network to help suppliers advance in industry

## Payment Terms

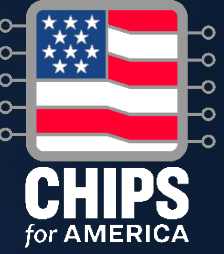
- Small, minority-owned, veteran-owned, and women-owned businesses have less capital
- Reduced payment periods (e.g. net-15/30/45) + quick payment resolution mechanisms

## Ombuds Processes

- Designated neutral, confidential, and independent party for dispute resolution processes
- Informal but "active" approach to addressing individual concerns while retaining company interests

## Case Studies

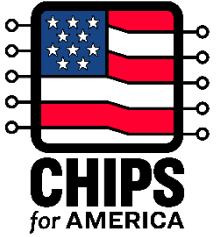
- Accenture Global Supplier Inclusion & Sustainability Program
- Adient Supplier Diversity Program
- Johnson & Johnson Global Supplier Diversity and Inclusion Program
- Merck Supplier Diversity Program



# Application Submission

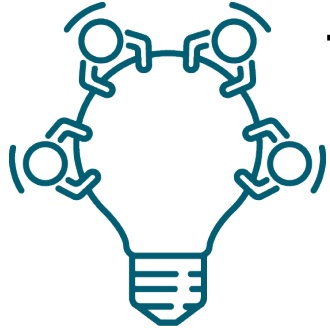
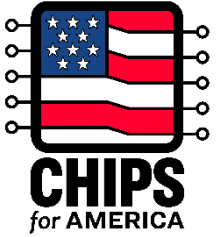


# Final Submission Requirements



- Each applicant must provide overview of broader impacts of proposed project in the final application.
  - Section should be **no longer than 30 pages**, excluding any attachments
- Assessment of criterion will consider the **quality and comprehensiveness of applicant's strategy for engaging** with small, minority-owned, veteran-owned or women-owned businesses as strategic partners, suppliers, contractors, or subcontractors and **commitment to tracking and disclosing disaggregated data** on supplier diversity and contractor/subcontractor diversity

# New Resource: Teaming Partner List



The teaming partner list will enable entities to share information, foster collaboration, and advance shared goals

- Entities that may not be eligible to apply can **share contact information and capabilities**
- Potential applicants can access and **reach out to entities on the list to facilitate potential partnerships and collaboration**
- This list does not directly connect entities to potential applicants, but is meant to enable **potential strategic partnerships**



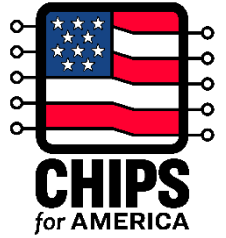
**Consider signing up for the teaming list** if you:

- Are an entity that may not qualify as covered entities under the CHIPS funding opportunities
- Are an organization that provides relevant support services
- This could include: educational and workforce training providers; labor unions; childcare providers; organizations that engage or support minority-owned, women-owned, and veteran-owned businesses; community-based organizations; and others

---

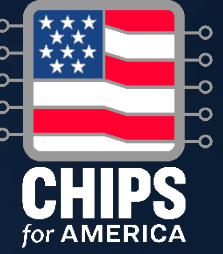
More details at: <https://www.nist.gov/chips/chips-america-teaming-partner-list>

---



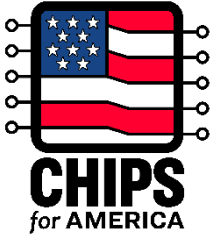
# Next Steps

- Review the **Creating Inclusive Business Opportunities Guide** in detail
- Visit [CHIPS.gov](https://chips.gov) for resources, including:
  - Applicant guides and templates
  - FAQs and fact sheets
- Register for future webinars
- Join our mailing list
- Contact us
  - [askchips@chips.gov](mailto:askchips@chips.gov) – General inquiries
  - [apply@chips.gov](mailto:apply@chips.gov) – Application-related inquiries



Questions

## Frequently Asked Questions



How long does it take to set up a supplier diversity program?

It is difficult to predict, as the time to execution may be informed by data already available and pre-existing relationships. Applicants should begin work as soon as possible and consider reviewing internal systems to learn what they already have in place.



I already have contractors that are diverse, does that spend count?

Yes. Already existing suppliers that are a small, minority-owned, veteran-owned, or women-owned business will count towards diverse spend.



**CHIPS**  
for AMERICA



**Thank you**