



## Financial Services Audit Committee Communication

**Date:** October 27, 2023 (Rescheduled to November 9, 2023)

**To:** Great Lakes Water Authority Audit Committee

**From:** Megan Savage, Vendor Outreach Coordinator

**Re:** Business Inclusion & Diversity Program Update

**Background:** On November 25, 2020, the GLWA Board of Directors approved an amendment to the Procurement Policy allowing for the formation of a new Business Inclusion & Diversity (B.I.D.) Program within the Financial Services' Procurement Group. The B.I.D. Program Team, which includes internal GLWA Team Members as well as external consultants, executed a Phase I launch of the program on February 1, 2021 and a Phase II launch on July 1, 2021.

**Analysis:** This month we present tables to recap B.I.D. Program activity from the date of the program launch on February 1, 2021 through September 30, 2023 for procurements budgeted to exceed \$1 million.

### Table 1: B.I.D. Eligible Procurements as of September 30, 2023

Table 1 provides an overview of the total number of B.I.D. Program-eligible Procurements awarded, in evaluation, or advertised as active opportunities in GLWA's Bonfire Procurement Portal. Each vendor who submits a response to a B.I.D. Program-eligible procurement must also submit a Business Inclusion and Diversity Plan. The total number of Diversity Plans that GLWA has received for B.I.D. eligible procurements that have been awarded and that are in evaluation is also provided.

	Awarded	In Evaluation Phase	Active (Advertised)	Total
Procurements Requiring B.I.D. Submittals	74	13	4	91
Total Number of Diversity Plans Submitted	237	34	n/a	271

**Table 2: Scored Criteria for Awarded Procurements**

Table 2 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program scored criteria. This scored criteria is based on whether the vendor has a business presence in the state of Michigan, GLWA’s Member Partner service area, or a disadvantaged municipality within GLWA’s service area.

	Procurements Awarded Meeting B.I.D. Criteria as a % of Total \$ Awards	Total Contract Amount (in millions)
Michigan Location	76%	\$679.4
Member Partner Service Area	72%	\$637.2
Disadvantaged Service Area	39%	\$349.4

**Table 3: Member Partner Communities**

Table 3 provides a breakdown of the number of awarded contracts to vendors located in GLWA’s Member Partner Service area.

	Total Contract Count	Total Contract Amount (in millions)	% of Total \$ Awarded
City of Detroit	40	\$349.4	39.30%
City of Auburn Hills	5	\$76.7	8.63%
City of Novi	3	\$94.4	10.61%
City of Livonia	3	\$59.6	6.71%
City of Taylor	1	\$12.6	1.42%
City of Troy	3	\$17.0	1.91%
City of Southfield	2	\$6.3	0.71%
City of Madison Heights	1	\$6.0	0.67%
City of Warren	2	\$4.7	0.52%
City of Wixom	1	\$1.1	0.12%
City of Farmington Hills	2	\$6.5	0.73%
City of Riverview	1	\$1.9	0.21%
Harrison Township	1	\$1.0	0.12%
<b>Subtotal</b>	<b>65</b>	<b>\$637.2</b>	<b>71.67%</b>
Other Michigan Communities	4	\$154.7	17.40%
Out of State	5	\$97.2	10.93%
<b>Total</b>	<b>74</b>	<b>\$889.1</b>	<b>100.00%</b>

**Table 4: Economically Disadvantaged Communities**

Table 4 provides a breakdown of the number of awarded contracts to vendors who have a business presence in an economically disadvantaged GLWA service territory area. This means that the vendor is located in a municipality designated as having one of the five lowest median household incomes in that respective county as defined by the U.S. Census Bureau every five years.

	Total Contract Count	Total Contract Amount (in millions)
Detroit	40	\$349.4

**Table 5: Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses**

Table 5 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program Non-Scored Criteria. This Non-Scored Criteria refers to any diversity certifications that the vendor may hold as a Disadvantaged Business Enterprise (DBE), Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), or Small Business Enterprise (SBE).

	Procurements Awarded as a % of Total \$ Awards	Total Contract Amount (in millions)
Awarded to Disadvantaged, Minority- owned, Women-owned, and Small Businesses	35%	\$310.4

**Table 6: Diversity Certification Percentages**

Table 6 provides a breakdown of the vendors who met the certification criteria as SBE (Small Business Enterprise), DBE (Disadvantaged Business Enterprise), MBE (Minority-owned Business Enterprise), and/or WBE (Women-owned Business Enterprise). Note that some firms may have multiple certifications.

	SBE	DBE	MBE	WBE
Percentage of Awarded Procurements to SBE, DBE, MBE, and WBE (based on total number of contracts)	10%	74%	35%	7%
Total Contract Amount (in millions)	\$18.5	\$333.6	\$96.3	\$65.2

**Table 7: Overall Contracts Awarded**

Table 7 provides a breakdown of overall dollars awarded under the B.I.D. Program thus far, distinguishing between firms that met the B.I.D. Program certification criteria (non-scored criteria) and firms that met the three B.I.D. Program geographic criteria (scored criteria).

	Total Contract Count	Total Contract Amount (in millions)	% of Total \$ Awarded
Eligible Procurements	74	\$889.1	100%
Firms that met the certification criteria (non-scored criteria)	31	\$310.4	35%
Firms that met the three geographic criteria (scored criteria)	40	\$349.4	39%

Other activities completed this month to expand awareness of the B.I.D. Program and to foster the development of effective diversity plans included the following.

- Continued attendance of the B.I.D. Program Liaison at all Pre-Bid and Pre-Proposal solicitation meetings to overview B.I.D. Program requirements and answer any questions from vendors/contractors.

Two tasks have been placed on hold for reasons specified below.

- The request remains open with Bonfire to provide options for tracking and reporting diversity certifications in the vendor database. Currently Bonfire does not have this on the list of planned upgrades.
- Continued evaluation of insurance and bonding requirements for small, minority-owned, and disadvantaged business enterprises. No solution has been identified but we do continue to explore the topic with potential resources.

Attached below is the September 2023 B.I.D. Program Update with revisions added to Table 2 (Scored Criteria for Awarded Procurements). The numbers originally provided in this update reflected procurements awarded as a percentage of total contracts. The revised numbers now reflect procurements awarded as a percentage of total dollars.

**Proposed Action:** Receive and file this report.