



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**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 August 31, 2022 for procurements budgeted to exceed \$1 million.

### Table 1: B.I.D. Eligible Procurements as of August 31, 2022

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  | 41      | 7                   | 5                   | 53    |
| Total Number of Diversity Plans Submitted | 119     | 23                  | n/a                 | 142   |

### 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           | 90%   | \$365.3                             |
| Member Partner Service Area | 85%   | \$324.2                             |
| Disadvantaged Service Area  | 61%   | \$278.4                             |

**Table 3: Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses**

Table 3 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 | 71%   | \$303.0                             |

**Table 4: Diversity Certification Percentages**

Table 4 provides a breakdown of the percentage of awarded procurements to SBE (Small Business Enterprise), DBE (Disadvantaged Business Enterprise), MBE (Minority-owned Business Enterprise), and WBE (Women-owned Business Enterprise).

|  | SBE   | DBE     | MBE    | WBE    |
|--|-------|---------|--------|--------|
| Percentage of Awarded Procurements to SBE, DBE, MBE, and WBE | 7%    | 56%     | 22%    | 12%    |
| Total Contract Amount (in millions)                          | \$9.0 | \$246.1 | \$96.2 | \$17.2 |

**Table 5: Overall Contracts Awarded**

Table 5 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) |
|--|----------------------|-------------------------------------|
| Eligible Procurements  | 41                   | \$513.6                             |
| Firms that met the certification criteria (non-scored)         | 29                   | \$303.0                             |
| Firms that met the three geographic criteria (scored criteria) | 25                   | \$278.4                             |

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.

- Featured addition of Diversity Certification tracking in GLWA’s Bonfire Procurement Portal in September 2022 *Procurement Pipeline* newsletter to help make vendors aware of GLWA’s efforts to update our Vendor Database and why.
- 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.

Additionally, the following tasks remain at the top of our priority list.

- Continued evaluation of the insurance and bonding requirements for small, minority-owned, and disadvantaged business enterprises.
- Identifying meaningful reporting and performances measures.

Please note that Business Inclusion and Diversity (B.I.D.) Program Inaugural Year-in-Review Report was reissued to clarify information that was presented in Table 4. Please see attached reissued report.

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