



The Business Inclusion and Diversity (B.I.D.) Program Year-in-Review Summary includes the following:

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Report Highlights

- The Business Inclusion & Diversity (B.I.D.) program was launched in February 2021. The first procurement submittal that included the B.I.D. criteria was received on April 27, 2021.
- As of June 30, 2022, GLWA has awarded 34 contracts under the B.I.D. Program requirements totaling \$340.4 million. GLWA has also received and reviewed 145 vendor Diversity Plans that documented efforts to maximize the participation of small, minority-owned, and disadvantaged business enterprises in GLWA's procurement process.
- The B.I.D. Program Team continues to refine B.I.D. Program business processes, conduct internal Team Member training, develop communication materials, and attend outreach events to support and educate the Vendor Community about the B.I.D. requirements.

Background

Historically, small, minority-owned, and disadvantaged business enterprises within GLWA's service area have faced obstacles to participation in procurements on a competitive basis. On September 23, 2020, the GLWA Board of Directors expressed their desire to strengthen GLWA's commitment to the principles of affordability, equity, and inclusion. The objectives of this effort were to develop and implement a program designed to maximize opportunities for small, minority-owned, and disadvantaged businesses within GLWA's service area so that they may effectively compete and do business with GLWA. In the long-term, such a program would allow GLWA to further support economic development throughout the region, expand its pool of skilled resources, and improve competitive pricing in its procurements.

On November 25, 2020, the GLWA Board of Directors approved an amendment to the [Procurement Policy](#) allowing for the formation of a Business Inclusion & Diversity (B.I.D.) Program.

4.5 Business Inclusion and Diversity Plan

GLWA is committed to providing business opportunities to vendors who honor the values of inclusion and diversity in selecting their business partners. To foster these values, the solicitation selection will require vendors to submit, for all solicitations budgeted at \$1 million or more, a Business Inclusion & Diversity Plan that addresses their efforts to include Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Small Business Enterprise (SBE), and Socially and Economically Disadvantaged Business Enterprise (DBE) subcontractors.

- a. In support of this commitment, the vendor agrees to ensure that, with regard to any contract entered into pursuant to this procurement policy, inclusion and diversity business enterprises will be afforded full opportunity and will not be discriminated against on the basis of race, color, gender, age, disability, religion, ancestry, marital status, sexual orientation, national origin or place of birth. In recognition of this, the vendor will take steps to ensure maximum participation by qualified diversity businesses in a manner and to the degree that it equals or exceeds standards for its other customers and/or clients.*
- b. The vendor shall provide methods to maximize opportunity for diversity participation and reporting methods that indicate firms invited, firms recommended for award and other pertinent information*

With the amended policy, the B.I.D. Program Team within the Procurement Group executed a Phase I launch of the program on February 1, 2021 and a Phase II launch on July 1, 2021.

Program Overview and Legal Framework for Establishing Diversity and Inclusion Programming in Michigan

In accordance with GLWA's Procurement Policy, amended on November 25, 2020, all vendors responding to solicitations budgeted at \$1 million or more must fulfill the requirements of the B.I.D. Program. There are two key components of GLWA's B.I.D. Program Requirements: 1) the Business Inclusion and Diversity Plan and 2) the Economic Equity and Development Scored Criteria. These are explained in further detail below.



Business Inclusion and Diversity Plan

Under GLWA's B.I.D. Program, a Business Inclusion and Diversity Plan is a mandatory requirement for all vendors responding to solicitations budgeted at \$1 million or more. The goal of the Diversity Plan is to demonstrate how the Vendor presented and maximized opportunities for qualified small, minority-owned, and economically disadvantaged business enterprises within GLWA's service area.

A successful Diversity Plan documents the vendor's efforts to include diverse subcontractors and must be specific to the GLWA solicitation. A vendor's Diversity Plan may include (but is not limited to) documentation of the following efforts:

- Targeted outreach to diverse subcontractors;
- Identifying scopes of work that can be broken down into smaller portions; and
- Assisting potential subcontractors in the development of bids and/or quotations.

As part of the Diversity Plan, vendors are also asked to submit any Diversity Certifications that they or their subcontractors hold. GLWA's objective is to make it easy to participate in the procurement process and reduce the administrative burdens required from the Vendor Community. For this reason, GLWA does not act in the capacity of a certifying agency. Instead, it accepts vendor diversity certifications from a federal agency, the state of Michigan, or a Michigan local unit of government. The Diversity Certifications that GLWA seeks from Vendors includes the following:

- Disadvantaged Business Enterprise (DBE);
- Minority-owned Business Enterprise (MBE);
- Small Business Enterprise (SBE); and
- Woman-owned Business Enterprise (WBE).

Each Vendor's Diversity Plan is scored pass/fail. Under the awarded contract, the vendor's Diversity Plan becomes part of the executed contract and may be negotiated during contract finalization. In future, vendor performance and B.I.D. Program compliance monitoring will be assessed during the length and completion of the contract.

Economic Equity and Development Scored Criteria

As a regional water authority and partner to the business community, GLWA is committed to providing economic development opportunities within the state of Michigan and the GLWA service area in which we operate. Therefore, in addition to the Diversity Plan, all solicitations budgeted at \$1 million or more include the following scored criteria:

- 1% — Business Presence¹ in the State of Michigan;
- 1% — Business Presence in GLWA service area; and
- 1% — Business Presence in a designated, economically disadvantaged municipality² within GLWA's service area.

A cumulative total of 3% points may be added to a vendor's overall bid or proposal score. In both a Request for Bid (RFB) and Request for Proposal (RFP), this means that 97% out of a possible total of 100% refers to the vendor's bid or proposal, with the remaining 3% accounted for by the B.I.D. solicitation scored criteria.

To receive these percentage points, Vendors complete and submit a B.I.D. Program Questionnaire in GLWA's Bonfire Procurement Portal indicating if they have a business presence in the above three categories. A full list of the qualifying communities and counties within GLWA's service area are always identified in the GLWA solicitation documents.

Legal Framework for Establishing Diversity and Inclusion Programming in Michigan

GLWA's B.I.D. program was created to align with case law that defines the boundaries of diversity and inclusion programming within the state of Michigan. In 2006, Michigan voters approved Proposal 2, or the Michigan Civil Rights Initiative. This initiative, and subsequent amendment to the Michigan Constitution ([Article I, §26 Affirmative Action Programs](#)) "bans affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity, or national origin for public employment, education, or contracting purposes," with the exception of those institutions that are required to maintain affirmative action policies in order to receive federal funding.

This law was followed by two Attorney General Opinions (the [2007 Attorney General Mike Cox Opinion](#) regarding the City of Grand Rapids' Equal Business Opportunity Construction Policy and the [2018 Attorney General Bill Schuette Opinion](#) regarding the Michigan State Housing Development Authority's Equal Employment Opportunity Policy) which concluded that governmental entities within the State of Michigan were not prohibited from establishing and implementing diversity and inclusion programming, but that any such programming could not offer "preferential treatment" on the basis of sex or racial classifications and therefore must be achieved through race- and sex-neutral means only.

¹ A "business presence" in the State of Michigan indicates that a business is eligible to be a Certified Michigan Based Business as defined by State of Michigan law: a) files a Michigan single business tax return; b) has a Michigan income tax return statement showing income generated in, or attributed to, the state of Michigan; or c) withheld Michigan income tax from compensation paid to vendors/owners and remitted to the Michigan Department of Treasury.

² An "economically disadvantaged" municipality within GLWA's service area is 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.



The 2006 amendment to Michigan's Constitution, and the subsequent Attorney General opinions, has impacted how public entities in Michigan, including GLWA, are able to implement business diversity programs, the type of activities they can conduct, and the key performance metrics and goals they can establish for their programs. The results of these limitations are primarily reflected in the limitation or absence of equalization credits, key performance metrics, and goals related to vendor diversity for GLWA's B.I.D. Program.

Phase I - Benchmarking and Program Implementation

During the development phase of the B.I.D. Program, GLWA engaged the services of Public Sector Consultants (PSC) to undertake Program Benchmarking. PSC worked with GLWA leadership and staff to identify a list of 14 business diversity programs in Michigan and other states that merited consideration for review based on these organizations' purchasing profiles and geographical reach. PSC collected publicly available information and developed profiles for each business diversity program. In addition, PSC conducted phone interviews with program staff or sent a list of questions via email. Input from 10 programs was received and reviewed that represented a cross-section of peer utilities, including other water and wastewater authorities, airport authorities, electricity and natural gas utilities, universities, and county and state government.

PSC's benchmarking efforts revealed and helped to further establish GLWA's B.I.D. Program as a leading diversity and inclusion program within the state of Michigan. In studying peer organizations attempting to navigate the legal boundaries on diversity and inclusion programming in Michigan, GLWA learned from these organizations' challenges and designed a simple, straightforward, and practical program that both leverages the certifying work of federal, state, and local agencies, and encourages greater small business vendor participation in GLWA's procurement process without imposing burdensome requirements, something that is especially important for small businesses with less experience and fewer administrative resources.

In addition to program benchmarking, GLWA also hosted focus group discussions to gather feedback and reactions on GLWA's B.I.D. Program. Two vendor focus groups were held on December 14, 2020 and January 12, 2021 which included representatives from construction, engineering/architecture, financial, and janitorial service firms. An additional focus group was held with eight Michigan-based professional associations on January 25, 2021.

Internal outreach and training on the B.I.D. Program were also conducted in advance of the program launch to ensure that GLWA Team Members across all operating units were made aware of the program and understood its key requirements. This effort included Procurement Team training on January 22, 2021 and January 29, 2021 as well as presentations to GLWA's business units. Internal outreach and training efforts also continued during the early months of the Phase I rollout with presentations to GLWA's Executive Leadership Team on March 2, 2021 and informative features on the program



launch and requirements in the *Procurement Pulse*, a quarterly internal newsletter produced by the Procurement Team for GLWA Team Members.

The B.I.D. Program Team executed a Phase I launch of the B.I.D. Program on February 1, 2021. The Phase I launch focused on the core program criteria and its impact on procurement submittals. This was followed by a more comprehensive Phase II program launch on July 1, 2021. The gradual program rollout enabled GLWA to learn, receive feedback, and refine our processes.

Phase II - Program Adjustments and Additions

After the Phase II Program launch, B.I.D. Program business processes were further streamlined and refined to increase program effectiveness and efficiency. The B.I.D. Program Requirements guidelines document that is included with all B.I.D. qualifying solicitations was modified based upon lessons learned from vendor submissions. The form was modified to reflect a “form” or “template” style document which fostered the development of more effective Diversity Plans by focusing Vendors’ attention on the information requested. This updated form also enabled GLWA Procurement Team Members greater ease and efficiency in reviewing and evaluating the Diversity Plans.

In addition, GLWA Contract templates were also reviewed, and specific language is currently being added regarding the B.I.D. Program to reinforce the importance of this program. This language will also provide the Procurement Team with the opportunity to conduct compliance monitoring with the Vendor’s Diversity Plan.

Lastly, the B.I.D. Program Team met with our GLWA insurance provider to discuss ways to lessen the challenges small companies may have in complying with GLWA’s insurance and bonding requirements. Short of GLWA taking on this risk ourselves, no substantial solution has yet been identified, but we continue to look for ways to address this challenge.

Vendor Outreach & Communication Efforts

Communication with and support of the Vendor Community was a central focus of the B.I.D. Program Team during year one of the program’s launch. The B.I.D. Program Team drafted communication materials and resources, or “B.I.D. Program Vendor Guides”, including several features in GLWA’s monthly *Procurement Pipeline* newsletter as well as an informative PowerPoint presentation on the B.I.D. Program requirements.

GLWA also delivered presentations on the B.I.D. Program at speaking engagements sponsored by various local federal, state, and municipal organizations. Since the B.I.D. Program launched in February 2021, the B.I.D. Program has participated in eight Vendor Outreach events, hosted by the Michigan Department of Transportation (MDOT), Southwest



Michigan Procurement Technical Assistance Center (SWMI PTAC), Pure Michigan Business Connect (PMBC), Macomb PTAC, and the U.S. Small Business Administration (SBA).

The B.I.D. Program Team/GLWA has also hosted virtual vendor introduction meetings where vendors can ask questions about the B.I.D. Program in a one-on-one setting. Since the Program launch in February 2021, GLWA has hosted over 20 Vendor Introduction meetings. The B.I.D. Program Team is also a regular participant in GLWA-hosted Capital Improvement Project (CIP) Workgroup meetings, where information and updates on the B.I.D. Program are regularly provided.

In addition, the Vendor Management Team has participated in all GLWA Pre-Bid and Pre-Proposal meetings that have included the B.I.D. Program requirements since the program launch in February 2021. During these meetings a program overview is provided along highlighting the steps to successfully submitting a diversity and inclusion plan for the solicitation being discussed. Vendors are also afforded the opportunity to ask any questions and network with other vendors.

Lastly, GLWA has also been an invited speaker at the Michigan Intergovernmental Trade Network (MITN) Cooperative on May 21, 2021 and June 18, 2021 to overview and educate procurement professionals throughout the state of Michigan on the design, development, and implementation of the B.I.D. Program. GLWA was also an invited speaker at the Michigan Public Purchase Officer's Association (MPPOA) October 2021 conference to speak on the B.I.D. Program alongside other peer diversity and inclusion programs in Michigan.

Program Data Summary (February 1, 2021 Through June 30, 2022)

The B.I.D. Program data tables included below recap B.I.D. activity from the date of the program launch on February 1, 2021 through June 30, 2022 for GLWA procurements budgeted to exceed \$1 million.

Table 1 - B.I.D. Eligible Procurements as of June 30, 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.



Business Inclusion and Diversity (B.I.D.) Program
Inaugural Year-in-Review
From Launch in February 2021 through
the Fiscal Year Ended June 30, 2022
[Table 2, 3, and 4 Updated 12.12.2022]

	Awarded	In Evaluation Phase	Active (Advertised)	Total
Procurements Requiring B.I.D. Submittals	34	13	3	50
Total Number of Diversity Plans Submitted	98	47	n/a	145

Table 2 - Scored Criteria for Awarded Procurements – Revised 12.12.2022

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	88%	\$192.1 \$208.7
Member Partner Service Area	82%	\$151.0 \$167.6
Disadvantaged Service Area	52% 53%	\$89.6 \$104.5

Table 3 - Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses – Revised 12.12.2022

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	65%	\$121.0 \$135.9



Table 4 - Overall Contracts Awarded – Revised 12.12.2022

Table 4 provides a breakdown of overall dollars awarded under the B.I.D. Program thus far, distinguishing between firms that met ~~all four the~~ B.I.D. Program ~~scoring certification~~ ~~criteria (including scored and~~ non-scored criteria) and firms that met the three ~~geographic~~ criteria (scored criteria only).

	Total Contract Count	Total Contract Amount (in millions)
Eligible Procurements	34	\$340.4 \$356.9
Firms that met four the certification criteria (non-scored)	22	\$121.0 \$135.9
Firms that met the three geographic criteria three criteria (scored criteria)	12-29 18	\$219.4 \$187.3 \$104.5

Future Opportunities for GLWA's B.I.D. Program

Since the B.I.D. Program's inception, the B.I.D. Program Team has learned that in most projects involving local labor, attention to diversity and inclusion (D&I) is common and regularly incorporated into vendors' sourcing practices. For vendors who are familiar with D&I, developing a Diversity and Inclusion Plan to fulfill B.I.D. Program requirements often dovetails with work they already routinely do and in many cases is a company priority.

The B.I.D. Program Team has also identified business sectors that are not as familiar with incorporating D&I programming into their sourcing practices. For these vendors, D&I programming requirements, such as the B.I.D. Program, can be perceived as an additional administrative burden that is not applicable to the goods and/or services that they supply.

Therefore, one important future direction for GLWA's B.I.D. Program includes raising awareness of D&I programming and practices as an opportunity for vendors across all business sectors to improve their own sourcing capabilities. To this end, the GLWA B.I.D. Program Team views future outreach and education opportunities as crucial to further growing and developing the B.I.D. Program and its impact on the small, minority-owned, and disadvantaged business community.