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Louisville MSD announces new Supplier Diversity and Community Benefits programs

On Monday, Louisville MSD's board approved two programs that will improve the diversity of firms that receive MSD contracts and create community benefits in neighborhoods where MSD is working.

The new Supplier Diversity Program and Community Benefits Program take effect on July 1, 2019, and are the result of a Disparity Study completed in July 2018 by Mason Tillman Associates, Ltd. MSD commissioned the study in 2016 to analyze its contracting practices over five years to determine if a statistically significant disparity existed in the district's award of contracts to ready, willing and qualified Minority- and Women-Owned Business Enterprises (M/WBE). The study looked at MSD's procurement policies and evaluated contract data for construction, construction-related services, engineering, and professional services and materials and commodities. Additionally, vendors were interviewed as part of the assessment process.

The study found statistically significant evidence of disparity in the award of MSD prime and subcontracts among African-American, Asian-Indian and Caucasian Females. Based on these findings, MSD has adopted new supplier diversity goals for construction and construction-related services. Beginning July 1, 2019, construction and construction-related services valued at or above \$150,000 must include goals for the following qualified vendors who can perform a clear and commercially useful scope of work on the project:

- African-Americans – 18 percent
- Asian-Indian Americans – 2 percent
- Caucasian Females – 15 percent

MSD's Supplier Diversity Program will also include a 10 percent bid discount applied to bids up to \$500,000, with a maximum discount not to exceed \$50,000 on bids submitted by M/WBE vendors. The bid discount is an incentive to help M/WBEs compete for prime contracts as an evaluation tool with the goal of correcting the disparity finding. Other new additions include incentive credits, which are outlined in MSD's Disparity Study Fact sheet, available at <http://louisvillemsd.org/sites/default/files/inline-files/MSD%20Disparity%20Study%20FAQs%202-20-19.pdf>.

“The new Supplier Diversity program is MSD’s commitment to addressing the disparities identified in the study by increasing access and opportunities to underserved groups in Louisville,” says MSD Chief Procurement Officer Rene´ Thomas. “MSD believes in being intentional about ensuring everyone in the community, including underserved groups, can work with MSD.”

In addition to the new Supplier Diversity Program, the MSD Board also approved a Community Benefits Program to leverage the economic and social impact MSD has in the community with its large-scale engineering projects by ensuring ratepayers benefit from MSD’s capital investment. The new Community Benefits program will provide specific opportunities in workforce development, skills-trade training, small business outreach and mentorship, and exposing youth to careers in the water sector. The vendor (contractor/firm) will provide a financial contribution, volunteer hours or in-kind services to local non-profits and schools. No dollars for this effort will come to MSD.

“MSD’s goal is to leverage our ongoing work in the community to build a workforce pipeline to support our core services and ensure all local communities within MSD’s service area benefit from our investments in a variety of ways,” says MSD Community Benefits Director Sharise Horne.

“I am fully committed to MSD’s new Supplier Diversity and Community Benefits Programs,” said MSD Executive Director Tony Parrott. “MSD believes this is an important investment in the health, safety and quality of life for our contracting community and ratepayers in Louisville now and for years to come.”

MSD will host training to ensure those who bid on projects understand the new requirements. MSD will also host community meetings over the next several months to explain the benefits of both programs.

For more information about our new programs and to view the Disparity Study, please visit

<http://www.louisvillemsd.org/doing-business-us>.



LouisvilleMSD

About MSD

The Louisville/Jefferson County Metropolitan Sewer District (MSD) works to achieve and maintain clean, environmentally safe waterways for a healthy and vibrant community. The organization's more than 650 employees provide wastewater management, drainage and flood protection services across the 376 square miles of Louisville Metro. In addition to operating and maintaining Louisville Metro's sewer system, floodwall system, water quality treatment centers and flood pumping stations, MSD invests in hundreds of infrastructure improvement projects each year, plants more than 1,000 trees and other vegetation annually to enhance water filtration and reduce runoff, and provides numerous outreach programs to inform and educate the community about protecting our waterways.