



**Plainridge Park Casino
Purchasing Practices Plan for Local and Traditionally
Disadvantaged & Diverse Businesses**

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Introduction

In accordance with license conditions #8 and 15, Penn National Gaming Inc. (Penn) has developed this comprehensive diversity and local purchasing plan for the ongoing procurement of goods and services for the operations of Plainridge Park Casino in Plainville, Massachusetts. The plan is designed not only to provide equal opportunity to traditionally disadvantaged groups but also to promote the support of local businesses within the Commonwealth of Massachusetts. This plan will be implemented by engaging in aggressive outreach, recruitment, and training to identify qualified local and minority, women's, and veteran owned businesses, and will provide them the opportunities to apply for contracts with us.

While the Plan refers frequently to Minority Business Enterprise ("MBE"), Women Business Enterprise ("WBE") and Veteran Business Enterprise ("VBE") companies, the inclusive diversity philosophy of Plainridge Park Casino is intended to be more far reaching than simply the inclusion of minorities, women and veterans. We will have an equal focus on the use of local businesses from our host community of Plainville, our designated surrounding communities, and throughout the Commonwealth.

Setting realistic goals are important benchmarks for gauging the success of our affirmative action efforts. The Commonwealth of Massachusetts' own procurement goals for state agencies are 6% minority, 12% WBE and 3% VBE as set forth in the Operations Services Division (OSD) memo dated October 1, 2013, "Changes to Supplier Diversity Program Policies and Plan Effective October 1, 2013." We feel that these goals are appropriate for Plainridge Park Casino as well, based in part on the research we completed in the process of developing this plan. That research included:

- The 2010 disparity study titled, "Race, Sex and Business Enterprise: Evidence from the Commonwealth of Massachusetts: Volume II," prepared for the Division of Capital Asset Management;
- The American Gaming Association's ("AGA") industry guidelines for inclusion and exclusion of goods and services procurement; and
- The American Gaming Association's "Gaming Industry: Spend Diversity Snapshot 2008.

Timely, effective and continuing outreach efforts are critical to our ongoing program. As a result, Penn has already begun its outreach efforts, including:

- Participating in multiple meetings with the Massachusetts Gaming Commission's (MGC) Vendor Advisory Team;
- Outreach to the Massachusetts Supplier Diversity Office (SDO) and the Greater New England Minority Supplier Development Council (GNEMSDC) to develop a communications network to alert their members to specific opportunities;

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- Outreach to the Massachusetts Small Business Development Center Network Southeast Regional Office;
- Communication with the Veterans Business Owners Initiative in both Bedford and Worcester;
- Communication with the United Regional Chamber of Commerce, the leading business organization in our immediate community;
- Communication with the NAACP New England Area Conference;
- Communication with the Boston Minority Business Development Agency (MBDA) Business Center;
- Hosted Vendor Information Fairs on November 13, 2013 and March 25, 2014;
- Attended United Regional, Taunton Area, and Cranberry County Chambers of Commerce Business to Business Expo on October 19, 2013;
- Attended the 5th Annual supplier Diversity Best Practices Forum, sponsored by the Boston MBDA, GNEMSDC, and Center for Women and Enterprise, on November 21, 2014;
- Committed to participate in the Center for Women & Enterprise 2014 Women Business Leaders Conference on September 12, 2014;
- Scheduled a reverse vendor fair for September 25, 2014 at Plainridge Race Course. This event will be an informational session for prospective vendors that will include one on one interviews with Penn's purchasing team representatives;
- We have also begun the dialogue with interested veterans organizations, government and non-profit, seeking their assistance in identifying VBEs. Representatives from the MA Department of Veterans' Services, the MA branch of the Small Business Administration, Veterans Inc., and Veterans with Vision have been part of these conversations related to the focused recruitment of veteran businesses; and
- We are in the process of creating a new vendor tool will allow our purchasing department to post RFPs on the Penn National and Plainridge websites. Our goal is to have this function live on the websites in October 2014.

EXECUTIVE SUMMARY

Purpose

This Plan describes Plainridge Park Casino's strong commitment to ensure diversity and opportunity for local businesses in the ongoing procurement of goods and services for the facility operations. The Plan emphasizes our commitment to diversity and local purchasing as it relates to our vendors, our business partners and our community. In sum, we appreciate and respect diversity in all aspects of our business operations and we look forward to supporting and participating in the local community as we build a regional and statewide engine of economic growth.

Diversity Committee

Penn and its corporate and property management team will establish a diversity committee for the purposes of this plan's implementation. The diversity committee will include, but not be limited to, the following:

- Lance George (General Manager, Plainridge Park Casino)
- Michael Randazzo (Corporate Vice President of Purchasing for Penn)
- The property's purchasing officer, to be named at a later date

In addition to our internal team, we will also invite two members, on a rotating basis, to represent any of the following: local business organizations, minority business organization, veteran business organizations and/or women business organizations. Our desire is for these two members to serve as the following:

- Resources to identify businesses within these categories to apply for contract opportunities with Plainridge Park Casino,
- To assist in developing remedial plans should we find ourselves falling short of the goals set forward in this document; and
- Provide expertise and guidance on how we can better assist these businesses in doing business with us as well as future casino industry members in the Commonwealth.

A designated member of the internal diversity committee will also be the liaison to the MGC's Vendor Advisory Committee and the primary contact for the MGC's Director of Workforce, Supplier and Diversity Development will be Michael Randazzo until a property-level person is identified to fulfill this ongoing role. Member(s) of the committee will also participate in the meetings of the MGC's Vendor Advisory Committee on a regular basis and will also look to source diverse and local businesses from these members as well.

DEFINITIONS

Diversity refers to the variety of backgrounds and characteristics found in society today; thus it embraces all aspects of human similarities and differences. While we support diversity as an inclusion concept, reality compels us to focus considerable attention on addressing issues related to those individuals and groups that have historically been adversely affected. For purposes of the Plan, diversity specifically focuses on differences among people with respect to age, sex, culture, race, ethnicity religion, color, disability, national origin, ancestry, sexual orientation and veteran status.

Operations-related Procurement Program

The operations-related procurement program applies to the purchasing of the fixtures, furniture and equipment to outfit the facility and non-excluded (see definition of “exclusion” below) goods and services following the completion of construction.

Definition of Minority

A *minority* is an individual whose cultural heritage is African, American Indian, Asian, Hispanic (Central/South American or Caribbean), Eskimo or Aleut or of the original peoples of the Cape Verde Islands. is a member of the following ethnic groups: African American, Asian American, Hispanic American, and Native American.

Definition of Women

Women are persons who are identified or who identify as being of the female gender. Participation goals are set for all women, regardless of race or ethnicity.

Definition of Veteran

A *veteran* is anyone who has served in the United States Armed Forces and has been honorably discharged.

Definition of Minority Business Enterprise (“MBE”)

Minority business enterprise or “MBE”, for the purpose of receipt of services from SDO, means a business enterprise that is owned and controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, African Americans, Cape Verdeans, Western Hemisphere Hispanics, Asians, American Indians, Eskimos, and Aleuts. For purposes of section 61 and of section 40N of chapter 7, the term “minority owned business” shall have the same meaning as “minority business enterprise”^{*} and as defined by the certifying agencies listed on page 8 of this document.

^{*} As defined in the Commonwealth of Massachusetts General Laws, Part I, Title II, Chapter 7, Section 58. <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter7/Section58>

Definition of Women Business Enterprise (“WBE”)

Women business enterprise or “WBE”, for the purpose of receipt of services from SDO means a business enterprise that is both owned and controlled, by one or more women who have invested in an ongoing business free of conversion rights. For purposes of section 61 and of section 40N of chapter 7, the term “women owned business” shall have the same meaning as “women business enterprise”^{*} and as defined by the certifying agencies listed on page nine of this document.

Definition of Veteran Business Enterprise (“VBE”)

Veteran business enterprise or “VBE”, a business enterprise that is both owned and controlled by 1 or more veterans, as defined in section 7 of chapter 4, who has invested in an ongoing business free of conversion rights.^{*}

Exclusion Spend

The *Exclusion Spend* is defined by the American Gaming Association’s “Diversity in Spending” as the total spend in goods and services minus:

	<i>Example</i>
Where a monopoly in a particular market or industry exists	Slot machines because there isn’t a minority-owned slot machine vendor in the United States.
Is not and never will be a biddable option for the gaming industry	Services related to the testing of slot machines or regulatory oversight of the gaming operation by a third party vendor per the state’s direction but at the cost of the gaming operator(s).
The good or service is government regulated	Aircraft fuel, postage, taxes, liquor licenses, etc.

The AGA’s “Diversity in Spending” document contains the full list of exclusion and inclusion spend categories and is attached to this document as “Exhibit A.”

Definition of Vendor

A vendor is an individual or business that provides goods and services to the project but are not considered design and construction trades. These goods and services include but are not limited to, couriers, printers, waste management, office and janitorial supplies, janitorial services, food and beverage services, etc.

^{*} As defined in the Commonwealth of Massachusetts General Laws, Part I, Title II, Chapter 7, Section 58. <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter7/Section58>

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Definition of Local Vendor

A *local vendor* is any business located within the Commonwealth of Massachusetts with preference given to businesses located within our host and designated surrounding communities.

Certifying Agencies

This project will recognize and accept certifications from the following certifying bodies:

- Massachusetts Supplier Diversity Office (SDO);
- Greater New England Minority Supplier Development Council (GNEMSDC);
- Women’s Business Enterprise National Council (WBENC);
- Vendor Information Pages Verification Program located at www.VetBiz.gov
- And, when applicable, as verified by the MGC’s Division of Licensing

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Implementation of the Plan

The following is a snapshot of the purchasing schedule leading up to the anticipated opening in June 2015.

Commodities	3rd Qtr 2014	4th Qtr 2014	1st Qtr 2015	2nd Qtr 2015
Schedule to be purchased in the	July to Sept 2014	Oct to Dec 2014	Jan to March 2015	April to June 2015
AI Conveyor system	3rd Qtr 2014			
Easy Bar Liquor Systems	3rd Qtr 2014			
Interiors / Exteriors Signs		4th Qtr 2014		
Surveillance		4th Qtr 2014		
IT Equipment PC, printers copiers		4th Qtr 2014		
Furniture Fixture & Equipment buyout (Genesis Design)		4th Qtr 2014		
Gaming Machines (Selected by Penn Gaming Slot Committee)			1st Qtr 2015	
Coca Cola			1st Qtr 2015	
Watchman Key Lock System			1st Qtr 2015	
Uniforms (Penn National Gaming, standard and approved Corporate program)			1st Qtr 2015	
Vehicle and Grounds Keeping Supplies			1st Qtr 2015	
VLT (Slot) Base				2nd Qtr 2015
VLT (Slot) Stools				2nd Qtr 2015
Gaming Machine Locks				2nd Qtr 2015
Gaming Technicians Supplies				2nd Qtr 2015
TITO Tickets				2nd Qtr 2015
Office Furniture				2nd Qtr 2015
Trash / Ash Receptacles				2nd Qtr 2015
Office supplies				2nd Qtr 2015
China Glass Silver				2nd Qtr 2015
Kitchen Supplies				2nd Qtr 2015
Disposable Paper Supplies				2nd Qtr 2015
Maintenance Supplies				2nd Qtr 2015
Housekeeping Supplies				2nd Qtr 2015
Housekeeping Inventory				2nd Qtr 2015
Restaurant Supplies				2nd Qtr 2015
Retail Inventory and Supplies				2nd Qtr 2015
Food Inventory				2nd Qtr 2015
Beverage Inventory				2nd Qtr 2015
Subject to change based on the construction schedule				

Supplier Selection Criteria

Suppliers will be considered based on the following criteria, as adopted from the AGA’s standards for the gaming industry:

- Ability for the supplier to meet specifications and standards
- Product and service quality
- Competitive prices
- Dependable delivery
- Quality control methods and practices
- Technical abilities and leadership
- Financial reliability
- Compatibility with existing products
- Adequate facilities and resources
- Spare parts availability
- Warranty, insurance, and bonding provisions
- Proven performance and experience

In addition to our aggressive outreach and recruitment activities, we will also implement two additional policies regarding minority, women, veteran and local business opportunities with Plainridge Park Casino:

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1. Any contract put out to bid that is equal to or exceeds \$5,000 must include at least one MBE/WBE/VBE bid and at least one bid from a Massachusetts-based vendor.
 - a. If one or both of these groups is absent from the bid process, Plainridge Park Casino will provide, in writing, an accounting of efforts made to seek these companies for the bid opportunity to the MGC’s Vendor Advisory Committee and why a bid was not received from one or both of these groups.
2. MBE/WBE/VBE and local, Massachusetts-based will be eligible to participate in Penn’s fast pay program. This program provides payment to these vendors within 7 to 10 days upon completion of services or upon delivery of goods.

A copy of the AGA’s “Diversity in Spending” document is attached to this document as Addendum 1.

Communications Strategy

The project will use multiple avenues of communications to advertise vendor opportunities on an ongoing basis. We will use a combination of traditional paid media, earned media, social media and partner organizations to advertise vendor opportunities with the casino. To date, we have hosted vendor information fairs prior to and post granting of the Category 2 Gaming License, and advertised for each appropriately. We will work with and communicate through partner organizations (such as The Massachusetts Supplier Diversity Office, The Greater New England Minority Supplier Development Council, the local office of Minority Business Development Agency Center, the local office of the United States Small Business Administration, the Veteran Business Owner’s Initiative, the Town of Plainville and our designated surrounding communities, the United Regional Chamber of Commerce, the NAACP New England Area Conference, MGC Vendor Advisory Team members and through the MGC’s communications team and their online and social media portals) to advertise vendor fair events and contract opportunities with the casino.

Reporting Schedule

As required pursuant to License Condition #8 and Chapter 23K, Subsection 21 of the Massachusetts Gaming Statutes, Penn is required to provide an annual report on performance of the facility’s procurement program as it compares to the goals set in this document once the facility is open for business. However, we will provide these reports on a quarterly basis for the first full year of operations to ensure that the program is on track. These reports will track progress with the goals established in this plan.

COMMITMENT

Plainridge Park Casino and Penn are committed to developing a high performance, inclusive work environment that reflects the diversity of our community. We will strive to create a company culture where all ideas and all contributions are valued no matter how or from whom they may originate. We will actively seek out contractors and vendors from traditionally disadvantaged groups to build and supply the facility. Our commitment to making inclusiveness the foundation for our culture is driven not only from our desire to enhance our community, but also because such commitment supports a sound business strategy.