



MEMORANDUM

TO: Chairman Crosby, Commissioners Cameron,
Macdonald, Stebbins and Zuniga

FROM: Jill Lacey Griffin, Director of Workforce, Supplier,
and Diversity Development

CC: Ed Bedrosian, Executive Director, Catherine Blue,
General Counsel, Todd Grossman, Deputy General
Counsel

DATE: June 13, 2016

RE: Supplier Diversity Certification and Retroactive Reporting for Construction and
Operations

In accordance with 205 CMR 135.02 (1): *Project Schedules and Reporting*, the Commission may create guidelines “to aid the commission in its review and monitoring of the project.” I recommend that the Commission adopt and implement the guidelines below regarding supplier diversity reporting during the design, construction and operations of the Category 1 gaming establishments.

By way of background, the gaming licensees each provided to the Commission for approval “an affirmative action program of equal opportunity whereby the licensee establishes specific goals for the utilization of minorities, women and veterans on construction jobs and for contracting with minority, women or veteran owned businesses during either design or construction.” 205 CMR 135.02(3). Further, a gaming licensee is required to report on a quarterly basis “the number of contracts, total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises for design and construction of the gaming establishment and related infrastructure, and the total number and value of all subcontracts awarded to a minority, women and veteran owned business, and a comparison of these reports with the goals established by the gaming licensee and commission pursuant to M.G.L. c. 23K, § 21(a)(21).” 205 CMR 135.02(5)(f).



Massachusetts Gaming Commission

Additionally, 139.04: describes Reports and Information to Be Filed with the Commission during operations. (3) Pursuant to M.G.L. c. 23K, § 21(a)(24), a detailed annual, and at other times as directed by the commission, statistical report on the total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises in: (c) Contracts for every good and service procured by the gaming establishment. The annual statistical report shall also identify the amounts so contracted as a percentage of the total dollar amounts contracted with and actually paid to all firms.

To add clarity to this process, I recommend that the following guidelines be issued:

- *While a company is in the process of obtaining supplier diversity certification, the business cannot be counted by a gaming licensee as a Minority Business Enterprise (“MBE”), Women’s Business Enterprise (“WBE”), or a Veteran’s Business Enterprise (“VBE”) towards the diversity goal requirement outlined in 205 CMR 135.02(3). The company can, however, be noted in the gaming licensee’s report as a company that is in the process of obtaining certification.*
- *As soon as a company can confirm certification as an MBE, WBE, and/or VBE by one of the certification entities approved by the Commission in accordance with 205 CMR 135.01, the gaming licensee may retroactively add the dollar value paid to that company to its overall diversity spend from the date of the initial payment initiated to the company under that contract.*
- *If this process is utilized, however, the gaming licensee shall maintain clear records evidencing when the company commenced work on the project. Such records shall be subject to audit by the Commission. Records could include a contract, record of payments, and proof of diversity certification.*
- *The gaming licensee shall notify the Director of Workforce, Supplier Development in writing the company name and dollar value applied towards diversity spend calculations.*

Certification as an MBE/WBE/VBE by any agency other than those recognized in 205 CMR 135.01 (CWE, GNEMSDC, MA SDO, Vetbiz.org, or the Licensing Division of the Commission) shall not confer MBE, WBE, or VBE status on a company for purposes of participation credit.



Massachusetts Gaming Commission