



PLAINRIDGE PARK
CASINO

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

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Introduction

In accordance with License Condition #4b, 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 was originally implemented in preparation for the for the opening of the property. It was 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. Throughout the first five years of operation, Plainridge Park was able to meet or exceed diversity spending goals. Because of our initial success, the plan will continue to be implemented by engaging in aggressive outreach, recruitment, and training to identify qualified local and minority, women, and veteran-owned businesses, and 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 have an equal focus on the use of local businesses from our host community of Plainville, our designated surrounding communities, and throughout the Commonwealth.

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 continue to build a regional and statewide engine of economic growth.

Plainridge Park Casino set procurement goals for ongoing operations that match those of the Commonwealth for state agencies: 6% MBE, 12% WBE, and 3% VBE. We met or exceeded these goals during the first five years of operations. We feel these goals continue to be appropriate for Plainridge Park Casino.

Reporting Schedule

As required pursuant to License Condition #4b 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. We provide these reports on a quarterly basis, or as requested by the Commission, to ensure that the program is on track. These reports track progress toward the goals established in this plan.

Timely, effective and continuing outreach efforts are critical to our ongoing program. As a result, Penn has maintained its outreach efforts during the first five years of operations, including:

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- Vendor Licensing Event held at PPC in November 2015. Included MGC Vendor Licensing Team, Supplier Diversity Office, Massachusetts Chamber of Commerce Executives, MA Chamber Members, and selected vendors who needed to complete their MGC registration
- Member of Neponset Valley Chamber of Commerce, New Bedford Area Chamber of Commerce, South Shore Chamber of Commerce, Tri-Town Chamber of Commerce and The United Regional Chamber of Commerce.
- Corporate member of the Greater New England Minority Supplier Development Council (GNEMSDC) and Center for Women & Enterprise (CWE) since 2015.
- Penn National Gaming is also a corporate member of the National Minority Development Council (NMSDC) since 2020.
- Annual participant in the GNEMSDC Business Opportunity Conference & Expo.
- Annual participant in the CWE Women Business Leaders Conference.
- Annual participant in Tri-Town Chamber of Commerce Business Expo.
- Partnered with VeraCloud for pilot program identifying potential suppliers.
- Presenter at Veteran Business Event Program hosted by MGC November 2018.
- Actively working with PNG Procurement Team to identify new diverse vendors who have experience working with our properties.

Continued Growth of the Plan

The property successfully implemented its purchasing plan in 2015 upon opening. The property continues to focus on identifying and growing diverse and local spend.

Supplier Selection Criteria

Suppliers will be considered based on the following criteria, as adopted from the AGA's standards for the gaming industry and selected based on best overall value:

- 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

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- Spare parts availability
- Warranty, insurance, and bonding provisions
- Proven performance and experience

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

1. Any qualified diverse supplier will be afforded a 5% consideration over competitive bids. This consideration will allow diverse suppliers a competitive edge over other suppliers.
2. MBE/WBE/VBE and local, Massachusetts-based vendors will be eligible in the future to participate in Penn’s credit card payment program. This program provides accelerated payment to these vendors 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.

Areas of Ongoing Eligible Spend

Our list of ongoing operational needs contains but is not limited to:

<i>Promotions/Giveaway Supplies</i>
<i>Equipment Repairs & Maintenance</i>
<i>Specialty Gasses</i>
<i>A/V Tech Sound</i>
<i>ID/Badging Supplies</i>
<i>Food & Beverage Vendors</i>
<i>Money Handling Supplies</i>
<i>Landscaping Services</i>
<i>Janitorial Supplies</i>
<i>Printing & Advertising</i>
<i>Beer Line Cleaning</i>
<i>IT Software/Equipment</i>
<i>Pest Control</i>
<i>Office Supplies</i>
<i>Electrical Supplies</i>
<i>Surveillance Supplies</i>
<i>Document Destruction</i>
<i>Food & Beverage Equipment</i>
<i>Electrical Services</i>
<i>Medical & Safety Supplies</i>
<i>F&B Hood Cleaning</i>
<i>Equipment Rentals</i>
<i>Landscaping Materials</i>
<i>Furniture</i>

Communications Strategy

Plainridge Park Casino utilizes multiple avenues of communications to advertise vendor opportunities on an ongoing basis. We use a combination of earned media, social media and partner organizations to advertise vendor opportunities with the casino. We have hosted vendor fairs and advertised for each appropriately. We have worked with and communicated 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.

Diversity Committee

Penn and its corporate management team have established a diversity committee for the purpose of driving diversity awareness around Penn National Gaming, our team members, vendors and surrounding communities. We are committed to fostering an environment of respect, empathy, and equal opportunity. The diversity committee will include, but not be limited to, the following:

- Justin Carter (General Manager of Hollywood Casino Toledo, OH)
- James Zubay (Regional Director of Strategic Sourcing, Penn)
- Eli Huard (Regional Director of Strategic Sourcing, Penn)

The Diversity Committee has specialized subcommittees who focus on specific areas related to our common goals. One such subcommittee is primarily focused on procurement. Their mission is to identify and create new opportunities for diverse suppliers, track and drive increased diversity spend company wide, and foster relationships between disadvantaged suppliers and PNG properties to create an environment that promotes growth and sustainability. Members of the procurement diversity subcommittee will:

- Identify and attend key diversity events around the country
- Plan and execute PNG centric diversity events in each region
- Work with the PNG Procurement Team to identify qualified diverse vendors as either primary or secondary sources for national programs
- Assist qualified suppliers to grow sales by expanding to additional properties within their reach (Example: Kittredge Equipment, Massachusetts-based WBE, now sells to ME, PA, OH, and WV properties stemming from relationship started at PPC)

Eli Huard, a designated member of the diversity committee is also the liaison to the MGC's Vendor Advisory Committee and the primary contact for the MGC on procurement related

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topics. 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.

Commitment

Plainridge Park Casino and Penn are committed to creating a diverse workforce and supplier base that promotes an environment of value, respect and empowerment. 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.

Definitions

Diversity refers to the variety of backgrounds and characteristics found in society today; 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.

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

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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.

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 one 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.”

* 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 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.

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
- Department of Veterans’ Business Affairs
- And, when applicable, as verified by the MGC’s Division of Licensing



AMERICAN GAMING ASSOCIATION

Diversity in Spending

The commercial casino industry has been a long-time proponent of diversity in all aspects of its business, from internal hiring and human resources policies to purchasing and contracting practices. The commercial casino industry and the companies that comprise it are engaged in a variety of initiatives to fulfill this commitment.

The AGA's diversity programs are overseen by the AGA Diversity Task Force. Created in 2000, the task force promotes inclusion in all aspects of the commercial casino industry. It conducts workshops for industry professionals, suppliers, and minority, women, and disadvantaged business enterprises (MWDDBE); collects data on industry diversity; and creates and organizes programs designed for industry-wide implementation.

The success of the industry's diversity efforts is measured in two reports: [Gaming Industry: Employment Diversity Snapshot](#) and [Gaming Industry: Spend Diversity Snapshot](#).

In November 2006, the Purchasing and Contracting subcommittee of the AGA Diversity Task Force launched a Tier II Diversity Reporting Program for suppliers. The program requires companies who supply the commercial casino industry with goods and services to report on their own diversity practices in the areas of purchasing and contracting. The program does not mandate a diversity threshold that suppliers have to meet, but the Diversity Task Force informed suppliers that companies doing a better job with diversity would be more attractive business partners for casino companies.

Enclosed are purchasing parameters that were an outcome of the Purchasing and Contracting subcommittee.

Hard Exclusions

Definition:

- Monopoly in a particular market or industry;
- Government regulated; and/or
- Is not and never will be a biddable option for the gaming industry

Spend Categories in this area

- Aircraft Fuel
- Customer Comps
- Customer Refunds
- Employee-related Expenses
- Payroll
- Reimbursements
- Directors Fees
 - Fees to Parent Companies
 - Fines
 - Gaming Fees (ex. participation games, table game leases)
 - Garnishments
 - Government Agencies
 - Inter-company (internal) payments
 - Licenses
 - Litigations/Risk Settlements
 - Mail Pay (Sports Book)
 - Permits
 - Petty Cash
 - Postage
 - Regulatory Fees
 - Settlements
 - Taxes
 - Travel Agency Commissions

Hard/Soft Exclusions (hard today but potential exists for the inclusion of diversity in the future)

Definition:

- Not biddable today due to current market conditions (i.e. lack of maturation in supplier base)
- Long term area for exploration – fertile area for collaboration with a mature company

Spend Categories in this area

- Credit card fees
- Accounting fees
- Alcoholic Beverages
- Bank fees
- Employee Benefits
- Express Mail

- Gaming Equipment companies
- Gasoline
- Insurance and Claims
- Loans/Interest
- Utilities
- Workman's Compensation

Soft Exclusions

Definition:

- Not biddable because decisions purely based on market conditions and/or factors

Spend Categories in this area

- Rent – what the facility sits on (i.e. land, boat/barge)
- Entertainment – entertainers selected based on anticipated draw of customers to casino
- Independent Agents – junket operators
- Inter-casino payments (ex. Caesar's purchases show tickets to an event at MGM)
- Leased retail enterprises

Excluded from Purchasing denominator only

Definition:

- Purchasing has no effect and/or control over how dollars are allocated so exclude from Purchasing denominator
- Able to include spend and diversity requirements in a separate area of the business

Spend Categories in this area

- **Philanthropy**
 - Donations
 - Non-profit
- **Construction**
 - Industry specific sourcing – Purchasing organization's don't specialize and attract specialists in this area
 - Pertains to architectural costs of building the building

Spend Categories currently excluded but now need to be included:

- Busses
- Drug Tests and Physicals
- Dues and Subscriptions
- Freight
- Gasses (ex. sterno, pyrotechnic, etc.)
- Legal Fees
- Lobbyists
- Non-goods and services

- Out of country vendors
- Seminars and Training
- Shipping or Courier
- For-profit sponsorships
- Temporary Services
- External Travel Agencies

Inclusions

Definition:

- Non-monopoly in a market or industry;
- non-government regulated; and/or
- the commodity is a biddable option.

Sample Products & Services

- **Food**
Meat, Poultry, Seafood, Dairy Products, Dry Goods, Produce, Frozen Products, Bakery Items, Canned Goods, Condiments, Ethnic Foods, Specialty Items.
- **Beverage**
Tea, Liquor, Domestic & Imported Wines, Beer, Water, Coffee.
- **General Equipment & Supplies**
Housekeeping Equipment & Supplies, Office Supplies & Equipment, Audio Visual Equipment, Banquet Equipment, Computer Equipment, Cleaning Equipment, Security/Surveillance Equipment, Cell Phones/Radios/Beepers, Marina Equipment, Signage, Food & Beverage Equipment.
- **Gaming Equipment & Supplies**
Casino Equipment, Casino Supplies, Slot Signage
- **FF&E**
Artwork, Carpet, Drapery, Furniture, Glass/Mirror, Upholstery, Wall Coverings, Wood Flooring, Tile.
- **Operating Inventories**
China, Glassware, Flatware/Holloware, Linen, Uniforms, Cleaning Chemicals, Guest Room Amenities, Food & Beverage Disposables, Hotel Supplies, Kitchen Supplies.
- **Engineering/Facilities**
Facilities/Engineering Supplies, General Maintenance Supplies, Repairs & Maintenance.
- **Retail**
Accessories, Apparel, Art, Cosmetics/Fragrances, Gifts, Jewelry, Lingerie, Logo Apparel, Men's Wear, Toys & Games, Shoes, Souvenirs, Swimwear, Gifts/Specialty Items.

- **Construction / Contracting**
Concrete, Demolition, Drywall, Electrical, Landscaping, Life Safety, Mechanical, Millwork, Painting, Reinforced Steel, Structural Steel, Construction Equipment.
- **General Services**
Consulting, Staffing, Decorating, Advertising, Printing, Repairs & Maintenance, Freight, Janitorial.

Supplier Selection Criteria

- Ability 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