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MEDIA RELEASE

June 12, 2020

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Louisville MSD reaffirms its commitment to Supplier Diversity and Community Benefits programs

Louisville MSD relaunches its Supplier Diversity Program with higher goals of inclusiveness for minority- and women-owned businesses based on results of a disparity study, which will improve the diversity of firms that receive MSD contracts and create community benefits in neighborhoods where MSD is working.

It has been stated that from moments of great challenge, come opportunities for great actions. We as a community and an agency now find ourselves in one of these moments of challenge. That is why MSD is renewing our collective commitment to equity, justice and transparency—in how we serve our customers.

“MSD is the only public agency in Kentucky with supplier diversity and community benefits required of its construction contractors,” said MSD Executive Director Tony Parrott. “With these programs we renew our commitment to equity, justice and transparency in how we serve our customers. This effort is an important investment in the health, safety and quality of life for our ratepayers in Louisville now and for years to come.”

“Creating a culture of diversity is a core element of our city’s strategic plan, and MSD has been a great partner in our efforts to build that culture,” said Mayor Fischer. “I applaud MSD for taking these additional efforts to ensure more minority- and women-owned businesses are hired for construction projects in our city.”

On June 1, the agency’s new Supplier Diversity Program took effect. This program with new goals is the result of a Disparity Study completed in July 2018 by Mason Tillman Associates, Ltd. MSD commissioned the study 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-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 June 1, 2020, construction and construction-related services valued at or above \$150,000 must include goals for the following qualified vendors who can perform a 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 also includes 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´ Lindsay. "MSD believes in being intentional about ensuring everyone in the community, including underserved groups, can work with MSD."

Additionally, as part of the 2018 study recommendations, the agency formalized a Community Benefits Program in July 2019. The goal of this program is to leverage the economic and social impact MSD has in the community with its large-scale professional engineering, construction, and construction-related projects by ensuring ratepayers benefit from MSD's capital investment. The Community Benefits program provides opportunities in workforce development, skills-trade training, small business outreach and mentorship, and exposes youth to careers in the water sector. The vendor (contractor/firm) provides a financial contribution, volunteer hours or in-kind services to local non-profits and schools in Jefferson County. No dollars for this effort come from 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.

For more information about our new programs and to view the Disparity Study, please visit <http://www.louisvillemsd.org/doing-business-us>.

MEDIA OPPORTUNITY

MSD Executive Director Tony Parrott is available for remote interviews.



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 680 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.