

**LCRA'S SUPPLIER DIVERSITY GUIDELINES**

The Lower Colorado River Authority (LCRA) recognizes the diversity that exists in the areas in which it provides services and the importance of Small and Diverse businesses to those communities. LCRA encourages the development of mutually beneficial business relationships with Small and Diverse businesses and is committed to increasing their opportunities. Employees involved in the selection, evaluation or approval of vendors and contractors share the responsibility for the corporate practice stated in these guidelines.

**A. IT IS THE PRACTICE OF LCRA TO:**

1. Refer to Minority and Women-owned Business Enterprises (M/WBEs), as well as HUBZone and Service-Disabled Veteran owned businesses as DIVERSE Businesses.
2. Ensure that Diverse Businesses are aware of requirements to participate in LCRA business opportunities.
3. Identify opportunities for Diverse Business involvement and encourage businesses to qualify for and submit offers on LCRA requirements for goods and services.
4. Provide increased opportunities for Diverse Businesses to participate in LCRA's procurement of goods and services.
5. LCRA's initiative to do business with Diverse Businesses is not a philanthropic activity, nor does it require the relaxation of current purchasing policies and procedures. Competitive opportunities for Diverse Businesses must be commensurate with the merits of their offerings and their proven affiliations and/or demonstrated performance.

**B. GOOD FAITH: WHAT LCRA DOES**

1. Employees involved in the selection, evaluation or approval of vendors and contractors should solicit a copy of the vendor's Equal Contracting Opportunity Business Policy Statement and their clearly indicated approaches to Small and Diverse subcontractors/suppliers that may be used in this effort.
2. It is the practice of LCRA to demonstrate good-faith to provide for meaningful participation by Diverse Businesses in performance of LCRA Contracts. Such good-faith efforts include the following:
  - a. Divide the work to be contracted into smaller portions where technically and economically feasible.
  - b. Actively and affirmatively solicit offers for contracts from Diverse Businesses, including circulation of solicitations to affiliated associations when possible.
  - c. Make plans and specifications for prospective work available to Diverse Businesses, in sufficient time for review.
  - d. Use the services of and cooperate with those organizations providing technical assistance in connection with Diverse Business participation.
  - e. Use the databases of certified minority and women-owned HUBZone and/or Service-Disabled Veteran owned businesses maintained by the State of Texas, local municipal entities, SBA, minority supplier development councils and/or regional

## LCRA Supplier Diversity Guidelines

- women's business councils for the purpose of soliciting offers for contracts and supplies.
- f. Encourage the formation of joint ventures, partnerships or other similar arrangements among contractors where appropriate.
- g. Ensure that provision is made to provide payments to Diverse Businesses on a timely basis.
- h. Provide potential contractors a copy of LCRA's *Supplier Diversity Guidelines*.

### C. GOOD FAITH: WHAT LCRA EXPECTS OF OFFERORS AND CONTRACTORS

1. LCRA establishes Targets for contracts exceeding \$100,000 (see Supplier Diversity, LCRA Terms and Conditions). LCRA expects offerors to demonstrate good-faith in providing subcontracting/supplying opportunities for Diverse Subcontractors in relation to these contracts. If an offeror is unable to meet the Target set for one of these contracts, the offeror is expected to demonstrate good faith by actively and affirmatively soliciting Diverse Businesses for subcontracting opportunities.
2. If LCRA establishes a Target for a contract, all offerors other than certified Minority or Women-Owned, HUBZone, Service Disabled Veteran Owned Small Businesses or businesses classified as Small Business Concerns by the Small Business Administration (SBA) are expected to complete a Subcontracting Plan. **The subcontracting plan is considered an integral part of the offeror's responses and MUST be included in the response or the contractor may be deemed non-responsive.**
3. If an offeror's response indicates it does not intend to subcontract or purchase major supplies in connection with the contract and during performance of the contract opportunities to subcontract with Diverse Businesses develop, LCRA expects the contractor to actively and affirmatively solicit Diverse Businesses and notify LCRA's Supplier Diversity Personnel.
4. If LCRA has established a 0% Target for a solicitation, it is most likely because LCRA was unable to identify potential subcontracting opportunities for Diverse Businesses in connection with this Contract. If opportunities to subcontract with Diverse Businesses later develop, LCRA expects contractors to actively and affirmatively solicit Diverse Businesses and notify LCRA's Supplier Diversity Personnel
5. LCRA expects contractors to report subcontracting with Diverse Businesses during the life of the contract. Suppliers who are not Small or Diverse must submit to LCRA their record of Small and Diverse Business purchases as related to their sales to LCRA. LCRA prefers to receive a report of direct Second-Tier purchases, i.e. products and services that can be identified in direct fulfillment of LCRA requirements. When applicable, reporting of Indirect Second-Tier purchases will be accepted, i.e. products and services which cannot be directly identified in support of specific LCRA requirements.

#### **D. TERMS TO KNOW**

**SMALL BUSINESS CONCERN (SBC/SBE):** A small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The company's SIC code determines whether annual revenues or number of employees is used to determine SBA "small business" should be referred to the following websites: [www.sba.gov/regulations/siccodes](http://www.sba.gov/regulations/siccodes) and [www.sba.gov/regulations/121](http://www.sba.gov/regulations/121) or contact the SBA Office of Size Standards at (202) 205-6618. SBC/SBE's are NOT included in LCRA Diverse Contractor Classifications.

#### **E. LCRA DIVERSE CONTRACTOR CLASSIFICATIONS**

**HISTORICALLY UNDERUTILIZED BUSINESS (HUB):** A business that is formed for the purpose of making a profit and that is otherwise a legally recognized business organization under the laws of the State of Texas, in which at least 51% of the assets and interest and at least 51% of any classes of stock and equitable securities are owned by one or more persons who are United State citizens, born or naturalized, and are recognized by the State of Texas as having been socially disadvantaged because of their identification as members of certain groups (<http://www.window.state.tx.us/procurement/prog/hub/hub-certification/>) **A copy of your Certification MUST be submitted.**

**SMALL DISADVANTAGED BUSINESS CONCERN (SDB/DBE):** A Small Disadvantaged Business Concern that has received certification as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B and is listed on the register of small disadvantaged business concerns maintained by the SBA. **A copy of your Certification MUST be submitted.**

**WOMEN OWNED SMALL BUSINESS CONCERN (WBC/WBE):** Small business concerns that are at least 51% owned by women who are U.S. citizens, who also control and operate the business. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management. The business has received minority certification from a third party certifier such as the city, state, or a regional women's business council. **A copy of your Certification MUST be submitted.**

**HUBZONE SMALL BUSINESS CONCERN:** Small Business Concerns located in distressed communities in an effort to promote private sector investment and employment opportunities in these areas. Further information, along with a list of qualified HUBZone Small Business Concerns maintained by the SBA can be viewed by visiting the following website: [www.sba.gov/hubzone](http://www.sba.gov/hubzone). **A copy of your Certification MUST be submitted.**

**MINORITY BUSINESS CONCERN (MBE):** A for-profit enterprise, regardless of size, physically located in the United States or its trust territories, which is owned, operated and controlled by minority group members. "Minority group members" are United States citizens who are Asian, Black, Hispanic and Native American. Ownership by minority individuals means the business is at least 51% owned by such individuals or, in the case of a publicly owned business, at least 51% of the stock is owned by one or more such individuals. Further, the management and daily operations are controlled by those minority group members. **A copy of your Certification MUST be submitted.**

## LCRA Supplier Diversity Guidelines

**SERVICE-DISABLED VETERAN SMALL BUSINESS CONCERN (SDVO):** A small business concern owned and controlled by a Service-Disabled Veteran or Service-Disabled Veterans as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)) and the Small Business Administration's (SBA) implementing SDVO SBC Programs Regulations (12 C.F.R. 125). The business must be 51% unconditionally and directly owned by one or more Service-Disabled Veterans or in the case of any publicly owned businesses, not less than 51% of the stock of the company is owned by one or more Service-Disabled Veterans. The management and daily business operations of the SDVO SBC must be controlled by one or more service-disabled veterans (or in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran). For further information concerning SDVO SBC's, see <http://www.sba.gov/GC/FAQs-mar2005.pdf>.

### F. COMPLETION OF LCRA SUBCONTRACTING PLAN

Form SD-A, <i>Subcontracting Plan</i>	MUST be completed by all Offerors if the LCRA solicitation included a Target for Diverse Business participation (See Supplier Diversity, Terms and Conditions)
<i>Good Faith Effort</i>	<p>If you are unable to meet the stated Target for your proposal then you MUST complete this section of the Form SD-A.</p> <p><u>Not Required From:</u> If you can meet the stated Target, or are a Diverse or Small Business or are using your own workforce and resources, then you do NOT need to complete this section of the Form SD-A.</p>
<i>List of Subcontractors/Suppliers</i>	<p>All Offerors must complete this form, listing any subcontractor/supplier providing more than 5% of the work. To complete your subcontracting plan, you should also list all qualifying Diverse Subcontractors/Suppliers.</p> <p>Note: Prior to contract award, all vendors listed on the <i>List of Subcontractors/Suppliers</i> must be registered on the LCRA Vendor Database, Diverse Businesses must be noted as such at registration.</p>
Form SD-B, <i>Diverse Subcontractor/Supplier Payment Report</i>	<p>If you are subcontracting any of the work/services, then you MUST complete this form and submit it monthly or quarterly as required upon contract award. <i>This form will be provided to the selected vendor upon award.</i></p> <p><u>Not Required From:</u> If you are a Diverse or Small Business or are using your own workforce and resources, then you do NOT need to complete this form. Small Businesses are encouraged to complete and return this form if you do subcontract or purchase supplies from Diverse Businesses after contract award.</p>