

# **HRSD**

## ***Diversity Procurement Policy***

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## **Purpose**

The purpose of this policy is to establish a framework for the utilization of small, women-owned, and minority-owned businesses in the procurement activities of Hampton Roads Sanitation District (HRSD).

## **Goals and Objectives**

The goal of this policy is to promote opportunities for utilization of small, women-owned, and minority-owned businesses in procurement activities.

The objectives of the policy are to:

- Identify goods and services that small, women-owned, and minority-owned businesses can provide.
- Increase competition through a diverse source of contractors and suppliers.
- Maintain and strengthen the overall competitiveness of HRSD procurements.

## **Policy Overview**

HRSD is committed to ensuring fair consideration of all contractors and suppliers in its day-to-day purchase or lease of goods and services. HRSD recognizes that working with a wide range of contractors and suppliers provides an open, competitive and diverse business environment.

In establishing this policy, HRSD is recognizing its responsibilities to the communities that it serves and the society in which it conducts business. The inclusion of small, women-owned, and minority-owned businesses must be a function of our normal, day-to-day purchasing activities. No potential contractor or supplier will be precluded from consideration on the basis of race, religion, color, sex, national origin, age, or disability (Code of Virginia, § 2.2-4310A). HRSD firmly believes that in our free enterprise system every attempt must be made to fully utilize all of our resources – human and material.

Therefore, HRSD's policy is to actively solicit and encourage small, women-owned, and minority-owned businesses to participate in procurement opportunities through equally

fair and open competition for all contracts. To this end, every employee with procurement responsibility to either directly or indirectly commit the expenditure of funds or who is involved in procurement decisions for the purchase of goods or services is charged with making HRSD's policy a reality by giving every consideration to using qualified small, women-owned, and minority-owned businesses in a manner that is consistent with state and federal laws and regulations. Further, each of HRSD's contractors and suppliers are encouraged to provide for the participation of small, women-owned, and minority-owned businesses through partnerships, joint ventures, subcontracts and other contractual opportunities.

To accomplish the implementation of this policy, HRSD will seek the assistance of the Virginia Department of Minority Business Enterprise (DMBE), the United States Small Business Administration (SBA), and other public or private agencies.

HRSD shall not accept a bad business deal or a lower quality contractor, supplier, product or service in order to meet the Diversity Procurement Policy goals. Quality, price and contractual terms should not be sacrificed in any meaningful way in order to achieve Diversity Procurement Policy goals.

As an integral part of the company-wide culture, HRSD does not discriminate because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by law. Additionally, in procuring goods or services or in making disbursements, HRSD shall not (i) discriminate against a faith-based organization on the basis of the organization's religious character or (ii) impose conditions that (a) restrict the religious character of the faith-based organization, except, in accord with Virginia Code §2.2-4343.1(F), that no funds shall be expended on contracts for sectarian worship, instruction, or proselytizing, or (b) impair, diminish, or discourage the exercise of religious freedom by the recipients of such goods, services, or disbursements.

## Definitions

"Business enterprise" means a legal entity which is organized in any form, other than as a joint venture, such as a sole proprietorship, partnership or corporation, to engage in lawful commercial transactions for profit (Virginia Administrative Code 7VAC10-20-10).

"Certification" means a process through which a business enterprise is verified to be in fact owned and controlled by an individual or individuals of an identified minority group, and so eligible to participate in minority business programs designed to stimulate minority business development (Virginia Administrative Code 7VAC10-20-10).

"Certified" means any applicant that has satisfied the requirements of the Virginia Administrative Code as a minority owned business and is placed on the department's certified list for a period of three years (Virginia Administrative Code 7VAC10-20-10).

"Contractor" means any individual or business that has entered into an agreement to provide goods or to perform construction, engineering or any other services to HRSD.

"Control" means the primary power to direct the management and operations of a

business enterprise (Virginia Administrative Code 7VAC10-20-10).

“Minority” means a person who is a citizen of the United States or a legal resident alien and who satisfies one or more of the following definitions (Virginia Administrative Code 7VAC10-20-10):

- "Asian Americans" means all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands, including but not limited to Japan, China, Vietnam, Korea, Samoa, Laos, Cambodia, Taiwan, Northern Marinas, the Philippines, U.S. Territory of the Pacific, India, Pakistan, Bangladesh and Sri Lanka and who are regarded as such by the community of which these persons claim to be a part.
- "African-Americans" means all persons having origins in Africa and who are regarded as the original or indigenous people by the community of which these persons claim to be a part.
- "Hispanic Americans" means all persons having origins in any of the Spanish speaking peoples of Mexico, South or Central America, or the Caribbean Islands or other Spanish or Portuguese cultures and who are regarded as such by the community of which these persons claim to be a part.
- "Native Americans" means all persons having origins in any of the original peoples of North America and who are regarded as such in the community of which these persons claim to be a part or who are recognized by a tribal organization.
- "Eskimos and Aleuts" means all persons having origins in any of the peoples of Northern Canada, Greenland, Alaska, and Eastern Siberia and who are regarded as such in the community of which these persons claim to be a part.
- "Members of other groups" means all other individuals found to be socially and economically disadvantaged by the United States Small Business Administration under §8(a) of the Small Business Act (15 USC §637(a)).

“Minority Business Enterprise” means a business enterprise that is owned and controlled by one or more socially and 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 Blacks, Hispanic Americans, Asian Americans, American Indians, Eskimos, and Aleuts (Code of Virginia, § 2.2-1401).

"Owned" means as follows as it relates to the following legal entities of a business enterprise (Virginia Administrative Code 7VAC10-20-10):

- In a "corporation" minority principals must own at least 51% or more of all voting stock of the corporation. Any voting agreements, voting trusts or shareholder agreements among the stockholders must not dilute the beneficial ownership, the rights or the influence of minority owners of the stock or classes of stock of the corporation.
- In a "partnership" the minority principals must act as general partners, own at least 51% of the partnership interest, exert at least 51% control among other general partners, and must have made at least 51% of the total investment.

- In a "sole proprietorship" the individual shall be a minority and own 100% of the business interest including assets, both tangible and intangible.

"Small business enterprise" means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Nothing in this provision prevents HRSD from complying with the qualification criteria of a specific state program or a federal guideline to be in compliance with a federal grant or program.

"Solicitation" means an Invitation for Bid (IFB), a Request for Proposal (RFP), a Request for Quote (RFQ), a Request for Technical Proposal (RFTP), telephone calls, or any other document issued to obtain quotes, bids or proposals for the purpose of entering into a contract.

"Subcontractor" means any individual or business contracting with a prime contractor to perform part or all of the obligations of the prime contractor's contract.

"Woman-Owned Business Enterprise" means a business enterprise which is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest which is owned by one or more women, and whose management and daily business operations are controlled by one or more of such individuals.

## **Responsibility for Policy Implementation**

The General Manager shall have the overall responsibility for implementing the Diversity Procurement Policy established by the Commissioners. The General Manager shall review the progress towards attaining the objectives of the policy. The General Manager shall ensure that HRSD staff understand and are committed to the objectives of the policy.

Under the direction of the Director of Finance and Administration, the Procurement Manager will be responsible for the overall development, management and implementation of the Diversity Procurement Program.

## **Program Components**

In order to implement this Diversity Procurement Policy, HRSD will establish a Diversity Procurement Implementation Program. This Implementation Program shall include the following components:

- Guidelines for ensuring that small, women-owned, and minority-owned businesses have the maximum practicable opportunity in procurement and contractual activities.
- Guidelines for apprising potential small, women-owned, and minority-owned businesses of HRSD's procurement activities.
- Guidelines for identifying small, women-owned, and minority-owned businesses for HRSD solicitations.

- Guidelines for promoting the Diversity Procurement Policy through formal and coordinated training classes conducted by Procurement, Engineering, and Small-Communities.
- Guidelines for maintaining diversity procurement data of contracts and subcontracts awarded to small, women-owned, and minority-owned businesses.
- Guidelines for monitoring, evaluating, and reporting on the progress of HRSD's Diversity Procurement Policy.

## **Diversity Procurement Opportunities**

All employees with purchasing responsibility or who are involved in procurement decisions for goods and services are expected to notify and give every consideration to using qualified, small, women-owned and minority contractors/suppliers in a manner that is consistent with HRSD procurement policies and procedures, and state and federal laws and regulations. Whenever HRSD engages in a solicitation or request for quotes, it will include businesses selected from the HRSD centralized contractor/supplier database, the Department of Minority Business Enterprise [www.dmbe.state.va.us](http://www.dmbe.state.va.us) (Code of Virginia, § 2.2-4310), and/or the Virginia Minority Supplier Development Council <http://www.vmsdc.org/> consistent with this policy.

HRSD has established guidelines for the following procurement activities:

- Purchases and quotes below the informal bidding/negotiation requirements;
- Solicitations within the informal bidding/negotiation requirements; and
- Solicitations over the formal competitive sealed bidding/negotiation requirements.

## **Certified Minority Business Enterprise (MBE)**

No contractor/supplier shall be considered a Small Business Enterprise, a Minority-Owned Business Enterprise or a Women-Owned Business Enterprise unless certified as such by the Virginia Department of Minority Enterprise or Virginia Minority Supplier Development Council. Definitions for Minority-Owned Business Enterprise, Minority Individual, Small Business Enterprise, and Women-Owned Business Enterprise are found in this policy.