



Supplier Diversity Plan

Effective September 28, 2023



**Denver Housing Authority
Supplier Diversity Plan**

Introduction

The Denver Housing Authority (DHA) Supplier Diversity Program is intended to assure that minority (MBE), women owned (WBE), small (SBE) and Section 3 Business (S3B) Enterprises will have the maximum practicable opportunity to participate in DHA's contract awards. The utilization of a diversified supplier base is beneficial to DHA's organizational growth, creates business relationships that strengthen and support the communities we serve and the overall economy through job creation for our residents, participants, and individuals in the community. We are committed to maximizing the use of diverse suppliers whenever possible. Our primary objectives include:

- Actively seeking businesses who are classified or certified as MWSBE or Section 3
- Encouraging our Contracting Officer Representatives (COR), Alternate Contracting Officer Representatives (ACOR) and Procurement Staff to seek out MWSBE or Section 3 certified or self-certified businesses and include those businesses in our procurement efforts
- Conducting outreach and communication to MWSBE and Section 3 businesses
- Supporting organizations that promote, develop or certify MWSBE and Section 3 businesses

The United States Census Bureau (2022) reports that as of 2017, out of 179,827 businesses (employer establishments) in Colorado, 13,291 (7%) were minority-owned and 29,438 (16%) were women-owned; In Denver County, out of 27,285 businesses, 2,424 (9%) were minority-owned and 4,419 (16%) were women-owned.

Diverse suppliers tend to hire more unrepresented employees (by race, ethnicity, gender, economic status, etc.) than their non-diverse counterparts. By supporting diverse suppliers, DHA is making a direct impact with the diverse communities in which we serve.

Mission

DHA's mission is to develop and provide high-quality, affordable housing with responsive services, enabling people and communities to thrive.

Vision

DHA's vision is that every individual or family shall have quality and affordable housing, in communities offering empowerment, economic opportunity, and a vibrant living environment.

Guiding Principles

In relation to supplier diversity, one of DHA's Strategic Plan Strategies under the Impact Goal is to "Measure and monitor DHA's Diversity, Equity, and Inclusion (DEI) metrics for continuous improvement". DHA will promote resident employment and micro-business formation. DHA will be recognized for its innovative programs that achieve high levels of MBE/WBE/SBE and Section 3 Business participation and create economic impact in the communities we serve.

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Diverse Supplier Definitions

A small business enterprise is defined as a business that is: independently owned; not dominant in its field of operation; and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR Part 121 should be used to determine business size.

A minority-owned business enterprise is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.

A "Section 3 business concern" has three different definitions as defined under 24 CFR Part 75.

1. 51% or more owned by low- or very low-income persons;
2. 75% or more labor hours are performed by low- or very low-income persons;
3. 51% or more are owned by current residents of public housing or Section 8 assisted housing.

Responsibilities

Procurement Services: Manage the procurement process; Encourage Contracting Officer Representatives (COR), alternate Contracting Officer Representatives (ACOR), and departments to explore opportunities to include and utilize small, minority-owned, women-owned and Section 3 Businesses to compete for business and from whom to obtain goods and services whenever possible; Complete additional outreach for procurement opportunities through various partner organizations and the annual DHA Contracting Open House; Attend pre-proposal/pre-bid/pre-quote meetings to discuss Section 3 requirements and aspirational supplier diversity goals; Monthly and annual reporting of supplier diversity statistics; Monthly and Annual Section 3 Labor Hour reporting; Assist suppliers in identifying their Section 3 Business status prior to and during the solicitation process.

Education and Employment Services (through the Resident and Community Connections Division): Identify, develop, and promote resident-owned businesses; Promote job and training opportunities to DHA residents and participants.

Contracting Officer Representatives: All CORs should explore opportunities to obtain goods and services from MBE/WBE/SBE and Section 3 Businesses; Develop specifications, proposal requirements, delivery schedules and evaluation criteria to encourage participation from diverse suppliers; Conduct pre-proposal/pre-bid/pre-quote meetings to discuss specifications/statements of work; Conduct pre-construction and/or pre-contract meetings to discuss performance expectations, supplier diversity goals, scope of work and other compliance requirements.

Department/Division Directors: Develop divisional procurement plan, analyze supplier diversity outreach opportunities, and review monthly and annual departmental supplier diversity reporting for improvements.

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Procurement Manager: Manage, review, and continuously improve the supplier diversity program.

Procurement Process

Supplier Diversity Goals

Per the HUD Procurement Handbook 7460.8 REV 3 dated 2/2007, DHA is supported in “contracting with residents and resident-owned businesses” and is also encouraged “to establish goals for contract awards to small and minority-owned businesses and minority business enterprises (MBEs), women’s business enterprises (WBEs), and businesses in labor surplus areas” (p. 15-1). The means to establish the goals must not have the effect of limiting competition and should not be used as a mandatory set-aside or quota to ensure full and open competition (United States Department of Housing and Urban Development, 2007, p. 15-3).

Based on recommendations from staff and pursuant to DHA’s Diversity, Equity, and Inclusion (DEI) blueprint, the Board of Commissioners set an overall aspirational goal of 20% Minority Business Enterprise, 15% Women Business Enterprise, and 25% Small Business Enterprise participation of all contracts awarded in the procurement of supplies and services. The Section 3 Business goal of 25% participation is based on the DHA Section 3 Policy. These goals are not mandatory requirements and typically align with or exceed peer organization goals even with differences in diverse supplier categories that may inhibit exact 1:1 comparison.

Solicitation/Contract Language

In formal solicitations/contracts, DHA’s supplier diversity goals are stated as well as suggestions on how to build a team through subcontracting or partnering to help meet the goals. These goals are also discussed during pre-proposal/pre-bid/pre-quote meetings.

Procurement Plan

On an annual basis, DHA establishes an Agency Procurement Plan in conjunction with budget development. The plan provides the opportunity to periodically review record of prior purchases, as well as future needs, to find patterns of procurement action that could be performed more efficiently and/or economically and identify opportunities for diverse supplier participation.

Self-certification Process

Any business that identifies as an MBE, WBE, SBE or Section 3 Business can self-certify their status through DHA by completing a Business Status Affidavit. DHA welcomes other certifications, but still requires that businesses complete the affidavit.

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Use of Quotes vs. Formal Solicitation (RFP)

HUD allows for larger requirements to be broken into smaller ones to afford diverse suppliers the opportunity to participate in DHA's procurements. In cases where individual development procurements for the same product or service are below \$250,000 but collectively amount to more than \$250,000, the Department/Division Director will prepare a written analysis to support the issuance of quotes by development versus the issuance of a formal solicitation (e.g., RFP) for the entire Authority requirement. At a minimum, the analysis for the issuance of quotes by development will consider:

- Cost – Economies of Scale
- Productivity and Efficiency
- Administrative Requirements
- Supplier Diversity (MBE/WBE/SBE/Section 3 Business) Outreach Opportunities

Quotation Process

Procurement opportunities under \$250,000 in value do not have to be publicly advertised. A minimum of three (3) quotes shall be solicited with at least one of the quotes being solicited from an MBE, WBE, SBE or Section 3 Business. Exemptions must be approved by the Chief Executive Officer. Since an end user is allowed the choice of whom they will be soliciting, the distribution could be all diverse suppliers.

Price and Other Factors Evaluation

Any procurement activity estimated to be over \$20,000 in value is required to use a price and other factors evaluation process (optional for activity under \$20,000). A price and other factors evaluation provides opportunity to diverse suppliers by allowing them to present their skill set, experience, and capacity and not just their price. It also allows DHA to award at best value versus the lowest price to obtain the best contractor for the job. Section 3 participation is also a factor used during the evaluation process.

Request for Proposal Process

Procurement opportunities exceeding \$250,000 in value are required to be publicly advertised through the BidNet Direct website. Any suppliers (both diverse and not) registered with the site will receive a notification when the solicitation is issued if the solicitation is within their registered commodities. Other registered suppliers also can review the solicitation documents (even if the solicitation is not within their registered commodity) and submit a proposal response. All other interested suppliers must register on the site to review solicitation documents to submit a proposal response. Procurement Services also completes separate outreach to other diverse suppliers not registered on the BidNet Direct website for these opportunities.

Resident-owned Business (Section 3 Business) Alternative Procurement Process

HUD procurement regulations allow DHA to use an alternative procurement process when contracting with businesses owned in substantial part by public housing authority residents (resident-owned businesses) for public housing services, supplies, or construction. The alternative procurement process must comply with procedures and requirements as set forth in HUD's procurement regulations, except

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that solicitations are limited to resident-owned businesses. The use of this alternative procurement process is not a requirement and will be coordinated with the Resident and Community Connections department.

Debriefings to Unsuccessful Contractors

Unsuccessful offerors are provided with the opportunity to debrief with the lead of the evaluation committee. This debriefing will discuss the strengths and weaknesses of their proposal in comparison to the evaluation criteria. Suppliers are encouraged to always debrief on any unsuccessful offers to better prepare them for the next solicitation they decide to submit a proposal for and to review the winning proposal(s) through Open Records.

In addition, an award notification is sent to all planholders of the solicitation for the purposes of promoting subcontracting opportunities with the selected prime contractor, when applicable.

Pre-Construction and Post-Award Conferences

Following the award of the contract, a conference should be held. These conferences are held to ensure full understanding of the work, scope, expectations, and contract management related issues. For construction, the notice to proceed is typically issued at this conference. This is an additional opportunity for the COR to discuss Section 3 participation, supplier diversity goals and expectations.

Outreach

DHA's Website Procurement Page

The Business Opportunities, Become a Vendor, Davis Bacon, Procurement and Supplier Development pages on the DHA's website provide an overview of the procurement process for all vendors interested in doing business with DHA. It also provides an overview of the buying departments in the Agency, the various procurement events for vendors, the Section 3 process, supplier diversity and development resources, Davis Bacon requirements, Open Records, and the BidNet Direct website.

DHA's annual procurement plan is placed on the website for public view after the annual Contracting Open House event. The procurement plan is updated monthly in a similar fashion to when it is updated for the monthly Board of Commissioners meeting. The procurement page also articulates the type of purchasing opportunities for each buying department instead of just a general description of the department.

BidNet Direct Website

The BidNet Direct website is utilized for public advertisement of all solicitations over \$250,000, select solicitations under \$250,000 (choice of the COR) and DHA's Annual Contracting Open House event. It is also DHA's vendor database; COR's utilize the site to search for suppliers for their procurement activities and procurement card holders can utilize it for micro buying (under \$10,000) needs. Registered vendors have access to planholder lists to all solicitations on the site and are also able to search for each other for partnering, joint venture, subcontracting and networking opportunities.

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For each issued solicitation, DHA adds a list of supplemental suppliers. These supplemental suppliers are the Colorado Minority/Women Chambers of Commerce, Hispanic Contractors of Colorado, the Denver Minority Business Development Agency (MBDA), the Mountain Plains Minority Supplier Development Council (MPMSDC), the Black Construction Group, Colorado Procurement Technical Assistance Center (PTAC), Rocky Mountain MicroFinance Institute, Small Business Administration (SBA), African American Trade Association and The Opportunity Council. These organizations promote doing business with small, minority, women-owned and Section 3 Businesses and provide services outside of the scope that DHA can provide for building supplier capacity. They receive a copy of every solicitation that is issued via the BidNet Direct website.

Annual Contracting Open House Event

The Annual DHA Contracting Open House provides business owners with an opportunity to learn about DHA's current priorities; receive the contracting schedule for the coming year; conduct one-on-one sessions with procurement decision makers; and network with DHA senior management, staff, and other vendors. The event involves all departments including Executive and Senior leadership, strategic partner involvement, workshops and presentations and provides on-site BidNet Direct registration assistance.

It is also an opportunity to outreach to our MWSBE business community to invite them to join DHA in our business endeavors, educate them on how to do business with DHA, to get their foot in the door with our staff and other larger contractors to help them grow their business. We provide them with resources, information about upcoming opportunities and even connections with other partner organizations such as the Denver MBDA Business Center, the MPMSDC and Colorado PTAC.

Procurement Monthly Meet and Greet Sessions

Companies that are newly registered and have never done business with DHA have an opportunity to personally meet with a Procurement Services representative during one of the monthly Meet & Greet sessions. Thirty minutes is dedicated for each entrepreneur to present their company and discuss upcoming contracting opportunities.

Housing Management Monthly Meet and Greet Sessions

Companies have an opportunity to present their company and discuss upcoming contracting opportunities with Housing Management managers and maintenance staff during one of their monthly Meet & Greet sessions.

Individual Solicitation Outreach

Prior to issuance of solicitations, Procurement Services completes additional outreach outside of BidNet Direct for each solicitation to maximize opportunities for MWSBE and Section 3 suppliers.

Subcontracting and Joint Ventures

As previously discussed, through the BidNet Direct website, vendors can communicate and search for each other. One way that this function becomes very useful is for subcontracting opportunities. Vendors can utilize the search function to look for subcontractors (if a prime) or review planholders lists look for

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prime contractors (if a subcontractor) to inquire if they need subcontractors in their field and to help meet DHA supplier diversity goals. If subcontracting is not an option, vendors are also encouraged to start a joint venture or partnership to contract for services with DHA.

Section 3 Business

Procurement Services assists businesses that approach them with identifying whether they will qualify as a Section 3 Business Concern, completing the Business Status Affidavit and guidance in registering on the BidNet Direct site. Outreach for Section 3 Business Concerns occurs in one of three ways: 1) Request for Proposal/Invitation for Quote follow-up conversations and meetings; 2) Denver Urban Renewal Authority First Source Employment Partner/Tenant Meetings (through Education and Employment Services); 3) Denver Housing Authority Education and Employment Services clients who are qualified under Section 3 from the Denver Metro Area that indicate at intake that they are business owners. The HUD Section 3 Business Registry list is also utilized when Procurement Staff completes individual solicitation outreach.

National and Mountain Plains Minority Supplier Development Councils (MSDC)

DHA is a corporate member of the Mountain Plains Minority Supplier Development Council and regularly attends the annual National MSDC conference. DHA utilizes their vendor database, participates in the Mountain Plains MSDC Business Opportunity Fair, other Council meetings and events and completes one-on-one sessions with vendors who have received certifications through these councils for outreach purposes. The Council also receives DHA solicitation and event notices and forwards them to their constituents and posts them in their newsletters.

Supplier Development

Although DHA is the largest Housing Authority in the region, procurement staff do not have the capacity to assist suppliers in developing their businesses. Supplier development is leveraged through several partner organizations: the Denver Minority Business Development Agency (MBDA), Small Business Administration (SBA), Colorado Procurement Technical Assistance Center, Mountain Plains Minority Supplier Development Council and the various minority and women Chambers of Council. If a vendor requests assistance with proposal or business development, they are directed to these organizations.

Larger suppliers are also encouraged to develop mentor-protégé relationships to help smaller suppliers build capacity. Benefits to this type of arrangement go both ways. For example, the protégé can benefit from the mentors' knowledge, resources, and capabilities. Mentors can refine their skills and note potential areas for improvement. The City and County of Denver and SBA operate mentor-protégé programs that interested suppliers can sign up for.

Internal Communications and Reporting

Procurement and Supplier Diversity Training with Staff

On an annual basis, the Procurement Department conducts procurement training with all Contracting Officer Representatives, alternate Contracting Officer Representatives and any other staff interested in learning about the procurement process. This training covers the procurement planning, the solicitation

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process, contract administration and supplier diversity. If necessary, the Division/Department Director also has the option to send their staff to formal HUD procurement training. Procurement staff also attend various supplier diversity educational events and trainings.

Monthly Reporting

As part of the Finance and Administration monthly report to the Board, the Procurement department reports on MBE, WBE, SBE and Section 3 Business spend with prior year comparative statistics. This spending is reported on both a prime contractor and subcontractor basis. In addition, the ten (10) year MBE/WBE purchase order average percentage is reported.

Procurement Services also reports MBE, WBE, and Section 3 Business spend by department. This report is presented to the Chief Executive Officer for discussion with the Department/Division Director on how they can improve their supplier diversity participation in their procurement activities.

Annual Reporting

An annual departmental report is developed with a three-year comparison for the Chief Executive Officer. Supplier diversity goals are also reported and set yearly in the DHA annual budget document. Section 3 quantitative labor hour data and qualitative data are reported to HUD annually as well.

Compliance with Prime Contractors

Prime contractors who indicate that they will have subcontractors working under them that are MBE, WBE, SBE or Section 3 Businesses report to their subcontractor activity to DHA monthly. This reporting is completed to ensure that the Prime contractor is working with the reported subcontractors and that this was not written into their proposal to be awarded the solicitation. Prime and subcontractors are also required to report Section 3 labor hours no less than month during their contract period.

Annual Program Review

The Procurement Manager has primary responsibility for management of the program at the Authority. This includes ensuring that Contracting Officer Representatives follow the Supplier Diversity Plan. In conjunction with the DEI Coordinator, the Procurement Manager will develop and document an approach and methodology for routinely reviewing goals, spending and the procurement activities of CORs to ensure overall compliance with the program. The results of reviews will be documented and retained for review by other CORs, the Chief Executive Officer and/or internal and external auditors. The Procurement Manager, in conjunction with the DEI Coordinator, will also develop a continuous improvement program for on-going service and process enhancements.

If upon review of the subject contractor's activities and information, the Procurement Manager concludes that a contractor has not made a good faith effort to include diverse suppliers in its subcontracting activities, or if the contractor does not provide the requested information or otherwise fails to cooperate with the review of their good faith efforts, the Procurement Manager may take one or more of the following actions:

- Obtain the contractor's cooperation in implementing a plan to remediate the deficiencies in its good faith efforts.

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- Complete a Contractor Performance Evaluation to document the contractor’s supplier diversity efforts to be used in evaluation of future contractor submissions.

External Communications

External supplier diversity communications are handled through the following documents posted to the DHA Internet Website and/or through Open Records requests:

- Supplier Diversity Plan
- Board of Commissioners Monthly Report: reports monthly supplier diversity spend.
- Annual Budget Document: reports performance measures for outreach and diverse supplier participation
- Procurement Services Webpages: lists diverse supplier goals and supplier diversity resources.
- Annual Procurement Plan: lists all current purchasing opportunities.

The Procurement Manager will work with the Director of Communications and Public Affairs and the DEI Coordinator to create a supplier diversity communications plan for regular external community communications and outreach. These communications may include, but not be limited to, supplier diversity goals and current spend, outreach events, procurement opportunities, and goals that have been met.

In addition, the “Supplier Development” page on the DHA website provides contact information of our supplier diversity partners (MBDA, MPMSDC, Colorado PTAC, etc.).

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References

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United States Department of Housing and Urban Development. (2007). *Procurement Handbook for Public Housing Agencies* (HUD Handbook 7460.8 REV 2, dated 2/2007). Washington, DC: Office of Indian and Public Housing.