

## 2nd Tier MWDVBE Reporting – Frequently asked questions

The purpose of reporting 2<sup>nd</sup> Tier MWDVBE Spend is to provide insight into the diversity efforts of key suppliers. As an American Water Works supplier, we encourage your company to support our efforts to develop a healthy diversity initiative and report downstream spending data relative to under-represented socio/economic groups.

Your cooperation and participation in this program is greatly appreciated.

### **What is 2nd tier spend?**

Second tier spend is spend reported by primary suppliers of American Water who have subcontractors working on an American Water contract. Depending upon the contract, primary suppliers may be requested to submit 2nd tier information with certified minority, woman, and disabled-veteran owned companies.

### **Who should report 2nd tier?**

All suppliers who have direct contracts with American Water are asked to report 2nd tier diverse supplier spend to Supplier Diversity.

### **How will suppliers report 2nd tier?**

Suppliers will report their second tier spending using the MBE/WBE/DVBE 2<sup>nd</sup> Tier Quarterly Report located on the Supplier Pipeline.

### **What is American Water Works method of 2<sup>nd</sup> tier reporting?**

At American Water we use the Direct Method and the Indirect Method of Reporting. The Direct Method Allow Suppliers to report subcontracting or product purchases made with certified MWDVBE's. Under the Indirect Method, the Supplier may report only those dollars subcontracted with certified minority, woman and disabled-veteran owned suppliers which have been prorated based on a Supplier's sales to AMWW when expressed as a percentage of a Supplier's total revenue.

### **Who should I contact regarding 2nd tier contract or reporting questions?**

If there are any questions, contact [SupplierDiversity@amwater.com](mailto:SupplierDiversity@amwater.com)

## Definitions

**Prime Suppliers** - A Prime is a 1st Tier supplier that provides the products/services and invoices to American Water for goods and services rendered directly by that supplier.

**2<sup>nd</sup> Tier Supplier**- A second tier supplier is a supplier that provides the products/services and invoices to the Prime Supplier for goods and services rendered for eventual delivery to American Water.