**Supplier Quarterly Minority, Women, Disabled Veteran**

**Supplier Quarterly Minority, Women, Disabled Veteran Business Entrepreneur (MWDVBE) Reporting**

The purpose of reporting 2nd 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.

**2nd Tier Reporting Methodology**

**Second Tier Spend** is reported by Prime Suppliers of American Water. Depending upon the contract, Prime Suppliers may be requested to submit 2nd Tier Reports quarterly with MWDVBE associated to their contract.

A copy of the suggested reporting format for Prime Suppliers can be found in the Supplier Pipeline.

Prime Suppliers have two options in reporting 2nd tier spend depending on the terms of the contract: **direct and indirect**.

**Direct spend** is based on spent with a certified diverse supplier in the fulfillment of the American Water contract.

**Indirect spend** is based on a percentage of revenue American Water represents to the supplier's overall spend.

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| **Indirect Spend Calculations** | **Example:** |
| Your total U.S. Revenue | $1,000,000 |
| Your total sales to AMWW | $200,000 |
| Divide total sales to AMWW (line 2 by your total revenue (line 1) | 20% |
| Total Diversity Spend (MWVBE Purchases) | $50,000 |
| Apply allocated % (line 3) to total diversity spend (line 4) | $10,000 |
| Percent of MWDVBE purchases to sales (Item 5/Item 2) | 5% |