



AMERICAN GAMING ASSOCIATION

Diversity in Spending

The commercial casino industry has been a long-time proponent of diversity in all aspects of its business, from internal hiring and human resources policies to purchasing and contracting practices. The commercial casino industry and the companies that comprise it are engaged in a variety of initiatives to fulfill this commitment.

The AGA's diversity programs are overseen by the AGA Diversity Task Force. Created in 2000, the task force promotes inclusion in all aspects of the commercial casino industry. It conducts workshops for industry professionals, suppliers, and minority, women, and disadvantaged business enterprises (MWDDBE); collects data on industry diversity; and creates and organizes programs designed for industry-wide implementation.

The success of the industry's diversity efforts is measured in two reports: [Gaming Industry: Employment Diversity Snapshot](#) and [Gaming Industry: Spend Diversity Snapshot](#).

In November 2006, the Purchasing and Contracting subcommittee of the AGA Diversity Task Force launched a Tier II Diversity Reporting Program for suppliers. The program requires companies who supply the commercial casino industry with goods and services to report on their own diversity practices in the areas of purchasing and contracting. The program does not mandate a diversity threshold that suppliers have to meet, but the Diversity Task Force informed suppliers that companies doing a better job with diversity would be more attractive business partners for casino companies.

Enclosed are purchasing parameters that were an outcome of the Purchasing and Contracting subcommittee.

Hard Exclusions

Definition:

- Monopoly in a particular market or industry;
- Government regulated; and/or
- Is not and never will be a biddable option for the gaming industry

Spend Categories in this area

- Aircraft Fuel
- Customer Comps
- Customer Refunds
- Employee-related Expenses
- Payroll
- Reimbursements
- Directors Fees
 - Fees to Parent Companies
 - Fines
 - Gaming Fees (ex. participation games, table game leases)
 - Garnishments
 - Government Agencies
 - Inter-company (internal) payments
 - Licenses
 - Litigations/Risk Settlements
 - Mail Pay (Sports Book)
 - Permits
 - Petty Cash
 - Postage
 - Regulatory Fees
 - Settlements
 - Taxes
 - Travel Agency Commissions

Hard/Soft Exclusions (hard today but potential exists for the inclusion of diversity in the future)

Definition:

- Not biddable today due to current market conditions (i.e. lack of maturation in supplier base)
- Long term area for exploration – fertile area for collaboration with a mature company

Spend Categories in this area

- Credit card fees
- Accounting fees
- Alcoholic Beverages
- Bank fees
- Employee Benefits
- Express Mail

- Gaming Equipment companies
- Gasoline
- Insurance and Claims
- Loans/Interest
- Utilities
- Workman's Compensation

Soft Exclusions

Definition:

- Not biddable because decisions purely based on market conditions and/or factors

Spend Categories in this area

- Rent – what the facility sits on (i.e. land, boat/barge)
- Entertainment – entertainers selected based on anticipated draw of customers to casino
- Independent Agents – junket operators
- Inter-casino payments (ex. Caesar's purchases show tickets to an event at MGM)
- Leased retail enterprises

Excluded from Purchasing denominator only

Definition:

- Purchasing has no effect and/or control over how dollars are allocated so exclude from Purchasing denominator
- Able to include spend and diversity requirements in a separate area of the business

Spend Categories in this area

- **Philanthropy**
 - Donations
 - Non-profit
- **Construction**
 - Industry specific sourcing – Purchasing organization's don't specialize and attract specialists in this area
 - Pertains to architectural costs of building the building

Spend Categories currently excluded but now need to be included:

- Busses
- Drug Tests and Physicals
- Dues and Subscriptions
- Freight
- Gasses (ex. sterno, pyrotechnic, etc.)
- Legal Fees
- Lobbyists
- Non-goods and services

- Out of country vendors
- Seminars and Training
- Shipping or Courier
- For-profit sponsorships
- Temporary Services
- External Travel Agencies

Inclusions

Definition:

- Non-monopoly in a market or industry;
- non-government regulated; and/or
- the commodity is a biddable option.

Sample Products & Services

- **Food**
Meat, Poultry, Seafood, Dairy Products, Dry Goods, Produce, Frozen Products, Bakery Items, Canned Goods, Condiments, Ethnic Foods, Specialty Items.
- **Beverage**
Tea, Liquor, Domestic & Imported Wines, Beer, Water, Coffee.
- **General Equipment & Supplies**
Housekeeping Equipment & Supplies, Office Supplies & Equipment, Audio Visual Equipment, Banquet Equipment, Computer Equipment, Cleaning Equipment, Security/Surveillance Equipment, Cell Phones/Radios/Beepers, Marina Equipment, Signage, Food & Beverage Equipment.
- **Gaming Equipment & Supplies**
Casino Equipment, Casino Supplies, Slot Signage
- **FF&E**
Artwork, Carpet, Drapery, Furniture, Glass/Mirror, Upholstery, Wall Coverings, Wood Flooring, Tile.
- **Operating Inventories**
China, Glassware, Flatware/Holloware, Linen, Uniforms, Cleaning Chemicals, Guest Room Amenities, Food & Beverage Disposables, Hotel Supplies, Kitchen Supplies.
- **Engineering/Facilities**
Facilities/Engineering Supplies, General Maintenance Supplies, Repairs & Maintenance.
- **Retail**
Accessories, Apparel, Art, Cosmetics/Fragrances, Gifts, Jewelry, Lingerie, Logo Apparel, Men's Wear, Toys & Games, Shoes, Souvenirs, Swimwear, Gifts/Specialty Items.

- **Construction / Contracting**
Concrete, Demolition, Drywall, Electrical, Landscaping, Life Safety, Mechanical, Millwork, Painting, Reinforced Steel, Structural Steel, Construction Equipment.
- **General Services**
Consulting, Staffing, Decorating, Advertising, Printing, Repairs & Maintenance, Freight, Janitorial.

Supplier Selection Criteria

- Ability to meet specifications and standards
- Product and service quality
- Competitive prices
- Dependable delivery
- Quality control methods and practices
- Technical abilities and leadership
- Financial reliability
- Compatibility with existing products
- Adequate facilities and resources
- Spare parts availability
- Warranty, insurance, and bonding provisions
- Proven performance and experience