



Reporting Requirement 1 - Direct Diverse and Non-Diverse Spend

A prime contractor (tier 1) must report spend if they utilize a subcontractor (tier 2) for services or goods that directly benefits or supports a Bank project. Purchases, activities or expenditures must align with a specific contractual agreement or Statement of Work between the Bank and the prime contractor (tier 1). **Prime contractors are required to report spend and contract count for any engagements with a diverse and non-diverse subcontractor (tier 2) for services or goods that directly benefits or supports a Bank project.**

Direct Tier 2 Spend Examples

- a. A technology firm (prime contractor (tier 1)) delivering goods or services to the Bank and has contracted with a diverse-owned subcontractor (tier 2) to provide professional services (installation, configuration, assessments, PEN test) as a part of the engagement.
- b. A general contractor firm (prime contractor (tier 1)) providing construction services to the Bank and has contracted with a diverse-owned subcontractor (tier 2) to provide skilled trade services (installation, teardown and debris removal, drywall, electrical, plumbing, etc.) as a part of the engagement.
- c. A janitorial services firm (prime contractor (tier 1)) providing general cleaning services to the Bank and has contracted with a diverse-owned subcontractor (tier 2) to provide specialized services (mold or water removal, furniture repair or carpet removal) as a part of the engagement.
- d. A professional services firm (prime contractor (tier 1)) providing risk and control, GRC, SOX review, security, assessments, PEN testing, technical or information security strategy to the Bank and has contracted with a diverse-owned subcontractor (tier 2) to provide specialized subject matter expertise to the engagement.
- e. A hotel or event space firm (prime contractor (tier 1)) providing meeting space and rooms to the Bank and has contracted with a diverse-owned subcontractor (tier 2) to provide catering, audio-visual or entertainment related activities as a part of the engagement.



Diverse Spend with a Non-Diverse-Owned Business

In addition to capturing direct spend, the Bank also seeks to understand the services performed by individuals at non-diverse-owned businesses as an additional component of tier 2 reporting. The dollar amount(s) paid by the Bank to a non-diverse prime contractor (tier 1) for professional services (i.e., the amount paid for work performed in connection with providing legal, accounting, or other professional or consulting services) provided by or allocated to a partner, member or other equity owner who is a minority, woman or an individual with a disability qualifies as "Diverse Spend with a Non-Diverse-Owned Business". Purchases, activities or expenditures must directly benefit or support a Bank project.

To identify and report on diverse spend with non-diverse-owned businesses, please follow the steps outlined below.

1. Identify all diverse partners, members or equity owners that work on Bank projects.
2. Calculate billable expenditures and report spend data to the Bank on a quarterly basis through our online Tier 2 Reporting System.

Non-Diverse-Owned Business Spend Examples

- a. A female partner at a law firm providing legal services and counsel for the Bank for a total of 200 billable hours.
- b. A diverse partner at an accounting firm providing accounting or tax expertise for a specific or billable amount.