

**..Title**

**Proposed Procurement Policy Amendment Related to a Business Inclusion & Diversity (BID) Program**

**..Body**

Agenda of: November 25, 2020

Item No.: **2020-424**

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** November 25, 2020

**RE: Proposed Procurement Policy Amendment Related to a Business Inclusion & Diversity (BID) Program**

**MOTION**

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **the proposed Procurement Policy Amendment Related to a Business Inclusion & Diversity (BID) Program be approved by the Board of Directors**, and authorizes the Chief Executive Officer or Chief Financial Officer to take such other action as may be necessary to accomplish the intent of this vote.

**BACKGROUND**

Recently, the GLWA Board of Directors approved an amendment to the Chief Executive Officer's contract which included provisions to strengthen GLWA's commitment to Affordability, Equity, and Inclusion. An excerpt is provided below as it relates to GLWA's procurement efforts [emphasis added].

## I. Affordability, Equity, and Inclusion

Section II of this Attachment C below indicates that GLWA's CEO, "[S]hall utilize the principles of Effective Utility Management (EUM) to carry out her responsibilities for the general supervision and management of the affairs of the utility, including establishing and delineating organizational goals and objectives which further GLWA's mission and values." Equally important to the Board is that in carrying out these duties the CEO be similarly guided by the principles of affordability, equity, and inclusion. While always present as guidestones, the principles of affordability, equity, and inclusion are especially important to the Board because of the national pandemic and its impact on individuals, families, businesses, and member-partner communities located within GLWA's territory area.

GLWA was founded upon a principle of affordability with the 4% promise contained in the initial Memorandum of Understanding that lead to GLWA's establishment. It is especially important in this time of economic uncertainty that GLWA look at strategies to contain costs while providing water of unquestionable quality to the region.

Similarly, GLWA has an opportunity and a responsibility to provide opportunities to businesses located within its service area. Historically many of those businesses have faced obstacles to participation in procurements on a competitive basis. The Board will consider revisions to the Procurement Policy, however, under the existing Policy or an amended Policy, the CEO should strive to **present opportunities for small and disadvantaged business within its service area to effectively compete and do business with GLWA. Over the long-term, this allows GLWA to expand its pool of skilled resources, support economic development throughout the region, and provide competitive pricing in its procurements.**

The Board also believes that having a team within GLWA that is reflective of the GLWA's territory area with a diversity of perspectives is important to its long-term success. This focus on workforce recruitment, development, and retention should not be limited to existing team members. GLWA should continue and expand its outreach to the region it serves to promote opportunities through, apprenticeship programs, or other partnerships with stakeholders such as member-partners, labor unions, educational institutions, and trade groups that are focused on technical and leadership opportunities within the water service sector.

### **JUSTIFICATION**

In carrying out the Board's request, staff has drafted proposed amendments to the GLWA Procurement Policy to address the above objectives. See attached Audit Committee Communication from November 20, 2020.

### **BUDGET IMPACT**

None.

### **COMMITTEE REVIEW**

This matter was reviewed by the GLWA Audit Committee at its meeting on November 20, 2020. The Audit Committee *[insert action]* that the proposed Procurement Policy Amendment Related to a Business Inclusion & Diversity (BID) Program *[be approved]* as presented to the Board of Directors.