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

Sponsors: Nicolette Bateson

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Attachments: 1. 7B2 Proposed Procurement Policy Update for BID Presentation 10.23.2020, 2. 7B3 Procurement Policy Amendment Fall 2020 Working Draft 10.21.2020

Date	Ver.	Action By	Action	Result
10/28/2020	1	Board of Directors	Received and Filed	Pass

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

Agenda of: October 28, 2020
Item No.: **2020-386**
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: October 28, 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 reviewed by the Board of Directors to initiate the approval of an amended**

Procurement Policy, 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 led 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. Attached are the following.

1. Presentation which highlights the proposed amendments and related next steps for implementation.
2. Mark-up version of the Procurement Policy with the above proposed changes.

BUDGET IMPACT

None.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on October 23, 2020. The Audit Committee recommend that the proposed Procurement Policy Amendment Related to a Business Inclusion & Diversity (BID) Program be reviewed by the Board of Directors to initiate the approval of an amended Procurement Policy.