

**ITEM A.105
FOR ACTION**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
X	A. Finance	X	E. Corporate Property, Legal, Finance
	B. Justice		F. PC(USA), A Corporation
	C. Leadership		G. Audit
	D. Worshiping Communities		H. Executive Committee
			J. Board Nominating & Governance Subcommittee
			P. Plenary

Subject: Presbyterian Mission Agency Supplier Diversity Policy

Recommendation:

The Finance Committee recommends that the Presbyterian Mission Agency Board adopt the following revisions to its 1989 Minority Vendor Policy.

~~Minority Vendor~~Supplier Diversity Policy

Preface

This ~~Minority Vendor~~Supplier Diversity Policy is intended to fulfill the mandate of the 196th General Assembly (1984), “that the General Assembly of the Presbyterian Church (U.S.A.) adopt as a policy: increasing the purchase of goods and services for the operation of its national agencies from businesses owned by racial ethnic people.” (Minutes, 1984, p.503).

I. Policy Promotion

This policy is an effort to extend through affirmative action, the church’s policy of equal opportunity for those wishing to participate in providing goods and services to the Presbyterian ~~Church (U.S.A.)~~Mission Agency. The foundation of the policy lies in the commitment of the church to affirmative action. The cornerstone of this policy is the commitment of those involved in the purchasing of goods and services on behalf of ~~any agency of the General Assembly of PC(USA)~~the Presbyterian Mission Agency to identify ~~minority sources~~diverse suppliers who deal at the appropriate level of distribution and to foster and develop those sources within the published policies and procedures of the ~~church~~Presbyterian Church (U.S.A.). To accomplish this policy, the following should be implemented:

- A. Buyers shall actively and diligently identify ~~minority sources of supply~~diverse suppliers for the procurement of facilities, equipment, supplies and services and for participation in construction programs.
- B. Buyers shall support ~~minority enterprises~~diverse suppliers by identifying needs that exist within the ~~church~~Presbyterian Mission Agency for facilities, equipment, supplies, services and construction programs for which ~~minority supply sources~~diverse suppliers might be developed.

- C. ~~Buyers~~The Purchasing Office shall develop guidelines which will enable ~~minority vendors~~diverse suppliers in understanding procedures as they relate to the Presbyterian Church (U.S.A.).

II. Definition of ~~Minority Enterprise~~Diverse Supplier

~~A minority enterprise is one whose ownership is at least fifty percent (50%) owned or held by persons who are members of a racial ethnic minority group (i.e. Black or African American, Asian American, Native American, Hispanic, or Portuguese), women, or persons with disabilities. The minority enterprise shall show proof of at least 50% minority ownership and present a notarized statement attesting to that fact for church files.~~The term “diverse supplier” is defined by General Assembly action.¹

III. Guidelines

A. Locating Potential ~~Minority~~Diverse Suppliers

~~Buyers~~The Purchasing Office shall aggressively seek out ~~minority owned~~diverse suppliers who deal at the appropriate level of distribution. Firms must be included in the search that would not meet ordinary standards but that have a demonstrable record of satisfactory performance and can, with counsel and technical assistance become qualified as suppliers. (See below).

1. Referral – ~~Buyers~~The Purchasing Office shall secure from other institutions, a listing of potential ~~minority diverse~~ suppliers with which those institutions have done, or are doing business.
2. Suppliers – ~~Buyers~~The Purchasing Office shall secure from commercial businesses or corporations, a listing of potential ~~minority diverse~~ suppliers with which they have done or are doing business.
3. ~~Registers and~~ Directories – ~~Buyers shall identify, obtain and~~The Purchasing Office shall use online directories and registers of to identify minority businesses~~diverse suppliers, including:-~~

~~Copies of each of the following directories shall be on file in the Purchasing Offices and available to all buyers.~~

- a. Small Business Administration (SBA) ~~On-line Diverse Supplier Directory.~~The SBA maintains a regional directory of minority businesses.
- b. ~~Regional Minority Purchasing Council. Regional councils of the National Minority Purchasing Council have been established in 20 major cities for the purpose of identifying minority suppliers and assisting corporations in dealing with these minority companies.~~National Minority Supplier Council

¹The 221st General Assembly (2014) directed that a definition be developed and brought for approval to the 222nd General Assembly (2016). Therefore the authoritative definition of diverse supplier will be not be found in this document, but in General Assembly actions. Until action of the 222nd General Assembly, the definition will remain ‘suppliers whose ownership is at least fifty percent owned or held by persons who are members of a racial ethnic group, women, or persons with disabilities.’ (Note: when the GA definition has been updated, the most recent statement of that definition will be included in this foot note, without requiring additional board action.)

~~c. Project Equality's Buyer's Guide. Additional sources from state and local agencies and organizations shall be developed and maintained on file. National Association of Black Hotel Owners On-Line Diverse Supplier Directory~~

~~d. Metropolitan Sewer District On-Line Diverse Supplier Directory~~

~~e. Kentucky Transportation On-Line Diverse Supplier Directory~~

B. Developing ~~Minority Diverse~~ Suppliers

Operating a business is a complicated undertaking. Cause of failure of a business may be due to the owner being unprepared technically and financially, as well as psychologically, for independent operation.

1. Technical Assistance – Technical assistance includes all areas that relate to business skills. For example, assistance may be given to instruct the interested ~~minority business~~diverse suppliers in procedure as it relates to the church, e.g. preparation of bids, cost accounting, processing of bids, etc. This may be accomplished through seminars or other appropriate communication vehicles.

If staff time precludes dealing with more complicated issues, buyers shall refer ~~minority vendors~~diverse suppliers to agencies which are able to provide greater technical assistance.

2. Financial Assistance – Many small businesses, particularly the newly established businesses, are under-capitalized and often require some type of financial relief in order to perform.

The church can provide assistance by making exceptions under its bidding procedure and by expediting bidding and billing.

- a. Bidding Help – An Allowable cost increase equivalent to a percentage of the lowest cost bid may be accepted by buyers to aid in decisions about bid consideration where a ~~minority vendor~~diverse supplier's bid is higher than other bids.

Specifically, ~~a buyer~~staff may accept a bid from a diverse supplier with an allowable difference of up to ten percent (10%) over the ~~lowers-lowest non-minority~~other bid for bids less than \$10,000.00. This is consistent with the policy's intent to aid in development of ~~minority vendors~~diverse suppliers who tend to be under-capitalized and therefore unable to submit the "lowest" bids.

~~When staff receive a bid from a firm which does not meet the definition of a diverse supplier, but which will utilize subcontractors for a project, staff should inform the bidding firm of this Supplier Diversity Policy and ask the firm, where possible, to engage subcontractors that qualify as diverse suppliers and which have the capability of supplying part of the contract, but which subcontractor(s) cannot compete, alone, as a bidder for that project. Buyers should encourage those majority-owned firms that participate in the bid process to consider, and where possible, sub-contract with minority firms that have the capability of supplying part of a contract but can not compete as a bidder alone.~~

- b. Billing Help –~~the buyer~~staff shall ensure that the vendor’s billing is in order and submitted properly and shall expedite payment of invoices.

IV. Affirmative Action

The guidelines and procedures which follow will assist the ~~purchasing~~staff in achieving affirmative action in the purchase of goods and services.

- A. Affirmative Action Goal – The mandate of the General Assembly states a commitment to increase the purchase of goods and services from businesses owned by ~~minorities~~diverse suppliers. This mandate can best be achieved through an established goal which aids buyers in meeting the commitment of the mandate. ~~As of February 2016, The the current~~ goal ~~shall be~~is that ~~minority vendors~~diverse suppliers shall supply at least ten percent (10%) of the combined annual dollar value of all purchased goods and services by ~~General Assembly level entities~~the Presbyterian Mission Agency, with emphasis on generating a broader base of ~~minority vendors~~diverse suppliers rather than meeting the commitment through use of a small number of already established ~~minority~~diverse businesses.²

If the goal is not achieved annually, staff shall make a good faith attempt to place subsequent contract renewals and new purchases with diverse suppliers until the goal can be achieved.

- B. Monitoring – As a means of monitoring compliance, ~~the General Assembly Committee on Representation with the Advocacy Committee for Racial Ethnic Concerns~~a Minority Vendor Affirmative Action Committee (MVAAC) shall ~~be established to~~review the status of the implementation of this policy with respect to the goal annually, with the Executive Director of the ~~General Assembly Council~~Presbyterian Mission Agency.

~~The Committee shall consist of two members of the Racial Ethnic Ministry Unit and two members of the Support Services Committee appointed by their respective chairs. Any recommendations or actions of this committee shall be to the Support Services Committee.~~

IV. Reporting and Evaluation

A. Reporting

Data collection is aimed at aiding the church in improving its performance in measurable terms. Comparative statistics shall be compiled such as dollar volume, number of contracts and types of contracts. This data will also aid the church in evaluating the capability and performance of the ~~minority vendor~~diverse supplier.

B. Evaluation

~~The MVAAC shall conduct an evaluation of the work of the buyers based on data submitted by buyers and report the results to the Support Services Committee. The Support Services Committee shall submit the evaluation findings and its recommendations to the General Assembly Council.~~

² The General Assembly regularly establishes a diverse supplier goal for the Presbyterian Mission Agency, upon recommendation from the General Assembly Committee on Representation and input from the Mission Agency.

The Executive Director of the ~~General Assembly Council~~ Presbyterian Mission Agency shall be primarily responsible for the implementation of the policy and the reports summarizing the church's purchasing dollar volume, percentage of such volume placed with ~~minority vendors~~ diverse suppliers, and qualitative data on efforts made towards locating and developing ~~minority vendors~~ diverse suppliers. The annual evaluations of the ~~Executive Director~~ chief executive officers of General Assembly agencies shall include a review of the above reports relative to the goals established.

~~If the goal of 10% is not achieved annually, buyers shall make a good faith attempt to place subsequent contract renewals and new purchases with minority vendors until the goal can be achieved.~~

~~The percent goal shall be evaluated in light of circumstances on an annual basis and may be revised upon recommendation of the MVAAC and the Support Services Committee, with approval of the General Assembly Council.~~

Rationale:

In 1984, immediately after reunion, the General Assembly adopted as policy increasing the purchase of goods and services for the operation of its national agencies from businesses owned by racial ethnic people. Over the next five years, the General Assembly Council, acting as superintendent for the national agencies in existence at that time, developed procedures for implementing the 1984 General Assembly policy. In 1989, a workable solution was developed and adopted by the Support Services Unit of the General Assembly Council, as the "Minority Vendor Policy." It has not been updated since that approval in 1989.

In the intervening years, the "Minority Vendor Policy" has been viewed as a policy of the General Assembly, and each General Assembly agency takes direction from it, despite its origin in the General Assembly Council. These revisions are not intended to lower the bar for any agency. As the creator and owner of this policy, however, it is important that it reflect current realities. Otherwise it will be ignored as out of touch and unrelated to our work.

Examples of how the context has changed can be summed up in two words: the internet. In 1989, virtually all purchasing was done in a centralized purchasing office. Today, almost all purchasing is done virtually. We no longer have a system that is built around a centralized purchasing office, where "the buyer" is a centralized function. Most purchases are made at the office level, either from suppliers identified by a centralized office, or from familiar vendors with a long track record in a particular ministry office. Revisions to this policy clearly indicate that all staff are responsible, not just the purchasing office.

Language has also changed. The term "minority" has no lasting value in a culture that is rapidly changing, and in which there will soon be no "majority." Rather than describing vendors based on what they are not, it makes more sense to seek diverse suppliers, so that our purchasing patterns are as diverse as the beloved community to which God calls us. The definition of "supplier diversity" will soon be defined by the General Assembly, so it does not require separate definition in a Presbyterian Mission Agency policy. Similarly, the responsibility for setting purchasing goals has moved from the General Assembly Council (which originally had a superintendent role) to the General Assembly, where its mandates govern all church agencies. Recent General Assembly actions have given responsibility for establishing purchasing

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goals to the General Assembly, based on input from the GA Committee on Representation and each agency. Therefore the part of the prior policy that establishes the purchasing goals has been deleted to avoid duplication, while noting the current goal until GA changes it.

The Presbyterian Mission Agency seeks to be accountable to the policies that govern its work, but that can't happen if we don't keep the policy up-to-date as times change. These revisions seek to update the policy based on current realities without changing any of the initial principles and directives that were part of the original policy. The Purchasing Office of the Presbyterian Mission Agency maintains a list of diverse suppliers which is available at this website:

<http://www.presbyterianmission.org/ministries/purchasing/minority-vendor-information/>.