

MINORITY VENDOR POLICY

BACKGROUND: The Minority Vendors policy adopted by the General Assembly Council on a trial basis for 1987 encountered difficulty due to the lack of policy defining criteria for 'cost decisions' of the 'stewardship' factor when the choice became a minority vendor whose bid was higher or a lower more competitive bid. That is, how much higher could a bid be to make it eligible for consideration. Another difficulty that added to making the policy difficult to implement was the transition occurring in staff due to the announcement of the move of the headquarters and subsequent impact on available staff coupled with uncertainty about decisions in the whole area of purchasing in light of reduced budgets. The prior policy has been revised to provide a simpler method of implementation which should be effective in moving the church toward fulfilling the mandate given by the General Assembly in 1984.

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Preface

This Minority Vendor 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.). 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) to identify minority sources who deal at the appropriate level of distribution and to foster and develop those sources within the published policies and procedures of the church. To accomplish this policy, the following should (must) be implemented:

- A. Buyers shall actively and diligently identify minority sources of supply for the procurement of facilities, equipment, supplies and services and for participation in construction programs.
- B. Buyers shall support minority enterprises by identifying needs that exist within the church for facilities, equipment, supplies, services and construction programs for which minority supply sources might be developed.
- C. Buyers shall develop guidelines which will enable minority vendors in understanding procedures as they relate to the Presbyterian Church (U.S.A.).

II. Definition of Minority Enterprise

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.

III. Guidelines

A. Locating Potential Minority Suppliers

Buyers shall aggressively seek out minority owned 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 shall secure from other institutions, a listing of potential minority suppliers with which those institutions have done, or are doing business.
2. Suppliers – Buyers shall secure from commercial businesses or corporations, a listing of potential minority suppliers with which they have done or are doing business.
3. Registers and Directories – Buyers shall identify, obtain and use directories and registers of minority businesses.

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). 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.
- c. Project Equality's Buyer's Guide. Additional sources from state and local agencies and organizations shall be developed and maintained on file.

B. Developing Minority 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 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 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's bid is higher than other bids.

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

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 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. This mandate can best be achieved through an established goal which aids buyers in meeting the commitment of the mandate.

The goal shall be that minority vendors shall supply at least ten percent (10%) of the combined annual dollar value of all purchased goods and services by General Assembly level entities, with emphasis on generating a broader base of minority vendors rather than meeting the commitment through use of a small number of already established minority businesses.

- B. Monitoring – As a means of monitoring compliance, 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.

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.

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.

The Executive Director of the General Assembly Council 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, and qualitative data on efforts made towards locating and developing minority vendors. The annual evaluations of the 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.

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