

SWD-1 Resolution Encouraging Review of Diversity Owned Certification Requirements by Investor Owned Utilities to Reduce Barriers and Ease Burdens Faced by Diverse Suppliers Wishing to do Business with Investor Owned Utilities

Whereas the Subcommittee on Supplier & Workforce Diversity (“SSWD”) of the National Association of Regulatory Utility Commissioners works to highlight areas of opportunity to encourage economic growth and inclusion among regulated utilities;

Whereas many State, federal, and third-party agencies have programs that are used to certify diverse suppliers under a formal review process designed to ensure that only businesses that meet minimum eligibility criteria are awarded certification;

Whereas once the business successfully completes the certification process, it is awarded a certificate to prove it is diversity owned;

Whereas these programs help level the playing field for diverse businesses in government and corporate buying processes;

Whereas many government agencies and most corporate purchasing activities require spending a certain percentage of their purchasing dollars with diverse suppliers;

Whereas in many cases, prime contractors are required to follow the same process to help their customers meet diversity spend goals;

Whereas some investor-owned utilities have diversity spend goals;

Whereas many small businesses face obstacles and barriers when seeking required diversity certification including but not limited to:

1. Annual renewal fees which may affect small businesses depending on size, revenue and resources creating an obstacle to budget for this expense;
2. The complexity of the requirements which lends itself to certain business owners not fully understanding the business documents and policies required to complete the process with a favorable result and instead are rejected because financial documents are lacking or they do not understand the rules regarding assets, capital, investors, governance documents as they pertain to the product/services provided;
3. Incurred expense of hiring attorneys and third-party consulting firms to complete this complex process for diversity certification applications; and
4. Lack of understanding of all the certifying bodies available to pursue certification;

Whereas not all small businesses seeking to certify require the same level of engagement depending on the type of services/product that the business provides. For example, perhaps a municipal certifying body is best instead of federal certification;

Whereas diverse suppliers may need more exposure and education about the types of certifying bodies that best suit their needs and expectations;

Whereas many corporations are currently asking whether a universal standard with a streamlined and transparent process is possible while at the same time recognizing that rigorous certification processes are needed to avoid fraud in diverse supplier procurement and contracting; and

Whereas the SSWD, through its members and leaders, Chairman, Illinois Commerce Commission Commissioner Sadzi M. Oliva and Vice-Chairman, District of Columbia Public Service Commission Chairman Willie Phillips, wishes to remind, recommend, and encourage the review by investor-owned utilities of diversity certification requirements to reduce barriers and ease burdens faced by diverse suppliers wishing to do business with investor owned utilities; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2020 Annual Meeting and Education Conference supports enhanced efforts to encourage investor-owned utilities to review their diversity certification requirements to reduce barriers and ease burdens faced by diverse businesses wishing to provide services and supplies to investor-owned utilities.

Passed by the Subcommittee on Supplier and Workforce Diversity November 6, 2020
Adopted by the Board of Directors on November 11, 2020