



Meeting Date: August 25, 2022 **Agenda Type:** Consent Items for Action

From: Heather Lockhart **Reviewed by:** Connie Lock
Staff Attorney General Counsel & Chief Ethics Officer

Submitted by: Connie Lock **Approved by:** Ian Taylor
General Counsel & Chief Ethics Officer Chief Executive Officer

RECOMMENDED ACTION: Approve a Public Calamity Declaration Relating to Supply Chain Disruptions Resulting from the Covid-19 Pandemic for Purchases over \$250,000

BACKGROUND

On March 13, 2020, the President of the United States declared a national emergency in connection with the Covid-19 pandemic. On the same day, the Governor of the State of Texas declared a state of disaster regarding the pandemic for all Texas counties. Over the last two years, the Covid-19 pandemic has caused supply chain disruptions and labor shortages that have affected industries across the United States, including the utility industry.

In order to ensure NBU's continued ability to provide water, wastewater, and electric services to its customers without disruption, NBU staff recommended approval of a Declaration of Emergency Event Relating to Supply Chain Disruptions Resulting from the Covid-19 Pandemic (the "Declaration") to the Board on February 24, 2022. The Declaration makes the finding pursuant to Section 252.022(a)(1) of the Texas Local Government Code that a public calamity exists relating to supply chain disruptions resulting from the Covid-19 pandemic. This Section exempts municipalities, including municipally owned utilities like NBU, from the competitive procurement process for procurements due to a public calamity requiring the immediate appropriation of money to relieve the necessity of its residents or to preserve its property. For any purchases made under this Declaration, NBU staff will verify that the purchase is a supply chain matter and report it to the Board at its next regularly scheduled meeting.

On February 24, 2022, the Board of Trustees approved the Declaration, and subsequently extended the Declaration on March 31, 2022, April 28, 2022, May 24, 2022, and June 30, 2022. The Declaration expires on August 25, 2022.

As supply chain conditions remain unchanged, NBU staff requests that the Board of Trustees continue to extend the Declaration until the Board of Trustees meets again on September 29, 2022.

FINANCIAL IMPACT

The total financial impact of extending the Declaration is \$0.

LINK TO STRATEGIC PLAN

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Maintain Organizational Reliability and Resiliency

EXHIBITS

1. Declaration Relating to Supply Chain Disruptions Resulting from the Covid-19 Pandemic for Purchases over \$250,000