

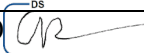




COMMISSION SUMMARY

AGENDA CATEGORY: Office of Supplier Diversity & Inclusion

ITEM NUMBER:

DATE: Wednesday, September 16, 2020

SUBJECT	Briefing: FY 2020 OSDI Performance Report, Small Local Business Enterprise Guidelines and FY 2020 Disparity Study Overview
SUMMARY	<p>In accordance with the Maryland Annotated Code, Public Utilities Article, §20-207 which states: By October 31st of each year the Commission shall issue a report to the Montgomery County and Prince George's County Senate and House Delegations to the Maryland General Assembly concerning:</p> <ol style="list-style-type: none"> (1) the implementation and administration of the minority business enterprise programs under this subtitle for the fiscal year ending on the preceding June 30; and (2) appropriate recommendations concerning the programs. <p>In accordance with the Maryland Annotated Code, Public Utilities Article, §20-304 which states: The Commission shall review the eligibility criteria and administrative procedures of the program each year to assess their effectiveness in furthering the purposes of the program. (§20-301 defines program as a local small business enterprise program)</p>
SPECIAL COMMENTS	<p>Attached for your review and use are the following:</p> <ul style="list-style-type: none"> • Presentation – FY 2020 OSDI Performance Report • FY 2020 OSDI Performance Report • Small Local Business Enterprise (“SLBE”) Guidelines • FY 2020 Disparity Study Overview
CONTRACT NO./ REFERENCE NO.	N/A
COSTS	N/A
AMENDMENT/ CHANGE ORDER NO. AMOUNT	N/A
MBE PARTICIPATION	N/A
PRIOR STAFF/ COMMITTEE REVIEW	<p>Carla A. Reid, General Manager/CEO </p> <p>Joseph F. Beach, Deputy General Manager of Administration </p> <p>Courtney Edmonds, OSDI Director </p>
PRIOR STAFF/ COMMITTEE APPROVALS	
RECOMMENDATION TO COMMISSION	Information Only
COMMISSION ACTION	Information Only



Office of Supplier Diversity & Inclusion: FY 2020 Performance Report

September 16, 2020

Agenda

- FY 2020 Minority Business Enterprise (MBE) Payments
- FY 2020 MBE Awards
- FY 2020 Small Local Business Enterprise (SLBE) Payments
- FY 2020 SLBE Awards
- Questions



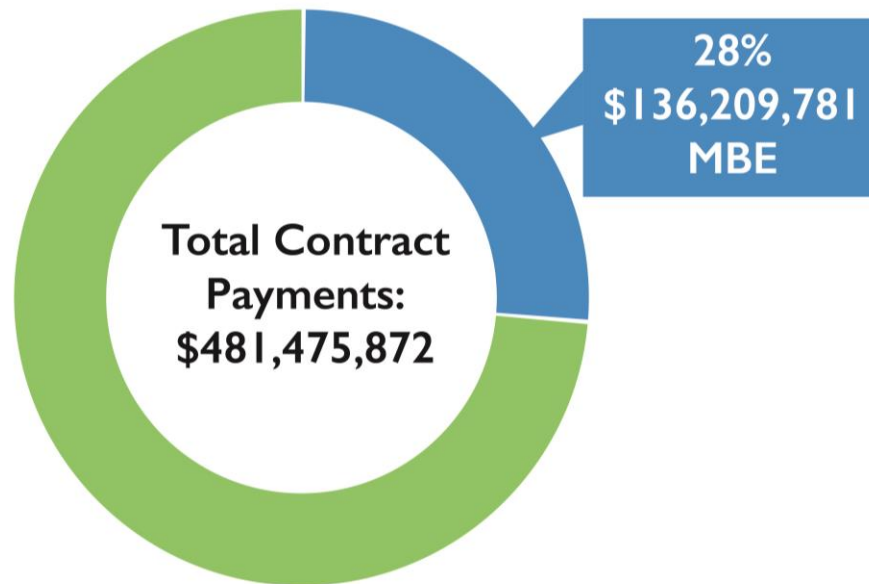
Minority Business Enterprise (MBE) Program Results



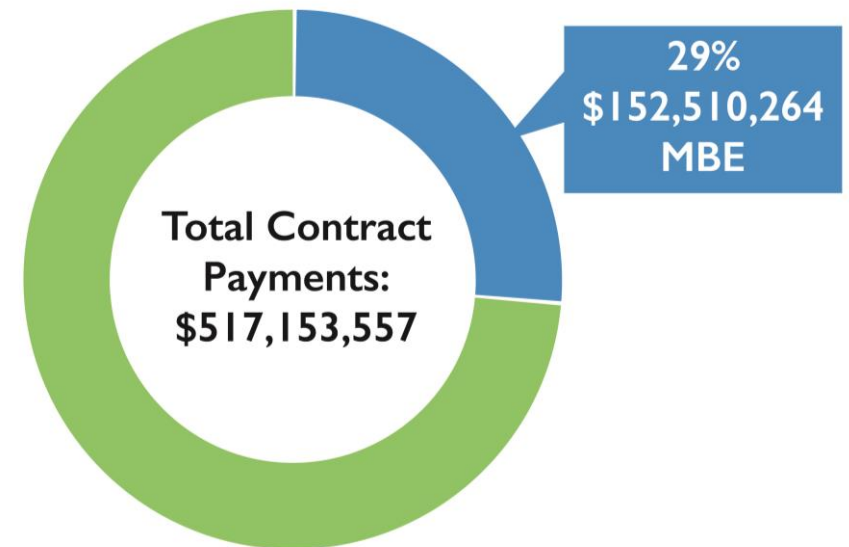
FY 2020 MBE Contract Payments

In FY 2020, WSSC Water spent \$136 million (28%) with MBE firms compared to \$152 million (29%) in FY 2019.

FY 2020 MBE Payments



FY 2019 MBE Payments



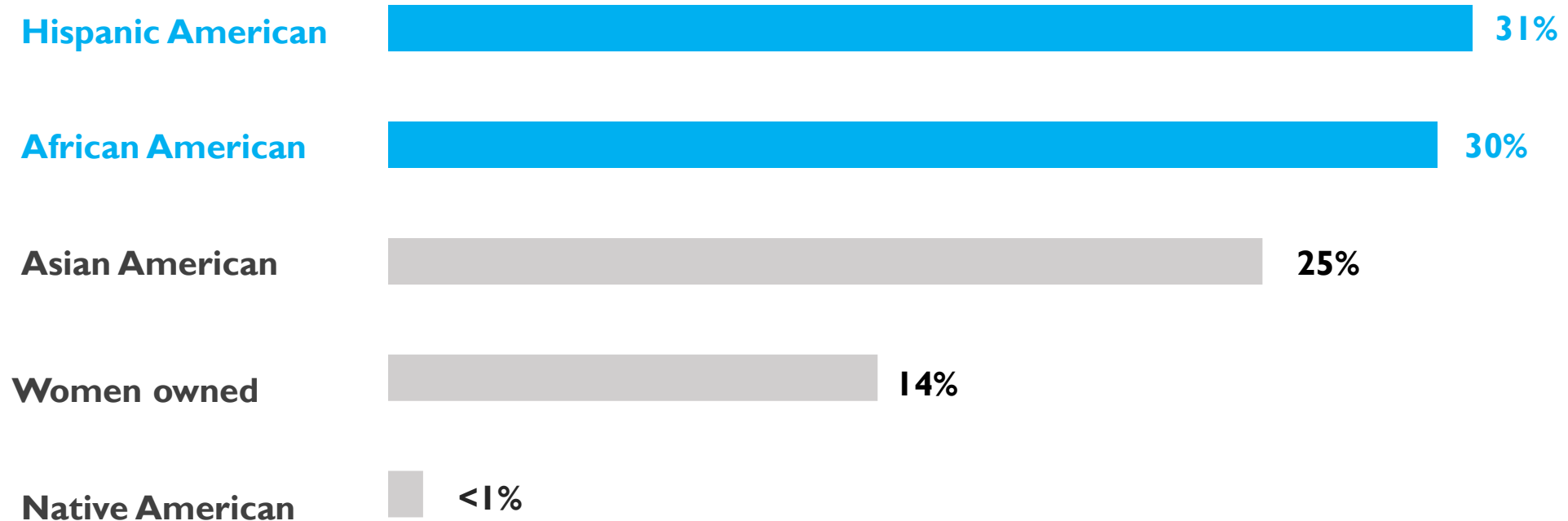
MBE Contract Payments by Contracting Area

WSSC Water met or exceeded its Aspirational Goals for MBE payments in all contracting areas in FY 2020.

Contracting Area	Aspirational Goals	MBE Percent	Combined MBE/WBE Payments	MBE Payments	WBE Payments	Majority Payments	Total Contract Payments
A/E Services	24%	24%	\$9,161,885	\$8,222,891	\$938,994	\$28,283,383	\$37,445,268
Construction Services	13%	24%	\$55,214,658	\$54,878,326	\$336,332	\$174,847,722	\$230,062,380
Goods & Services	33%	33%	\$45,454,818	\$35,968,911	\$9,485,907	\$94,288,541	\$139,743,359
Professional Services	23%	36%	\$26,378,420	\$24,456,256	\$1,922,164	\$47,846,445	\$74,224,865
Total for all Contract Areas		28%	\$136,209,781	\$123,526,384	\$12,683,397	\$345,266,091	\$481,475,872

MBE Contract Payments by Classification

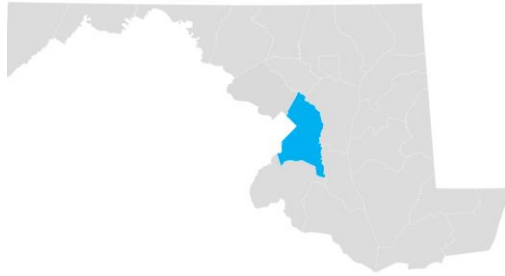
Hispanic American and African American firms received the largest share of MBE contract payments at 31% and 30% respectively.



MBE Contract Payments by Location

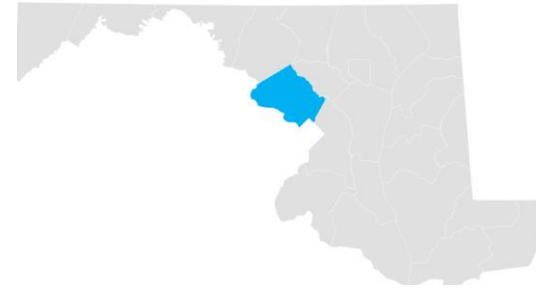
Maryland and Washington D.C. firms received 79% of WSSC Water's MBE payments, with Prince George's and Montgomery County receiving 35% of all MBE payments.

24%



Prince George's County

11%



Montgomery County

28%



Maryland (all other counties)

16%



Washington D.C.



MBE Contract Payments FY 2016 – FY 2020

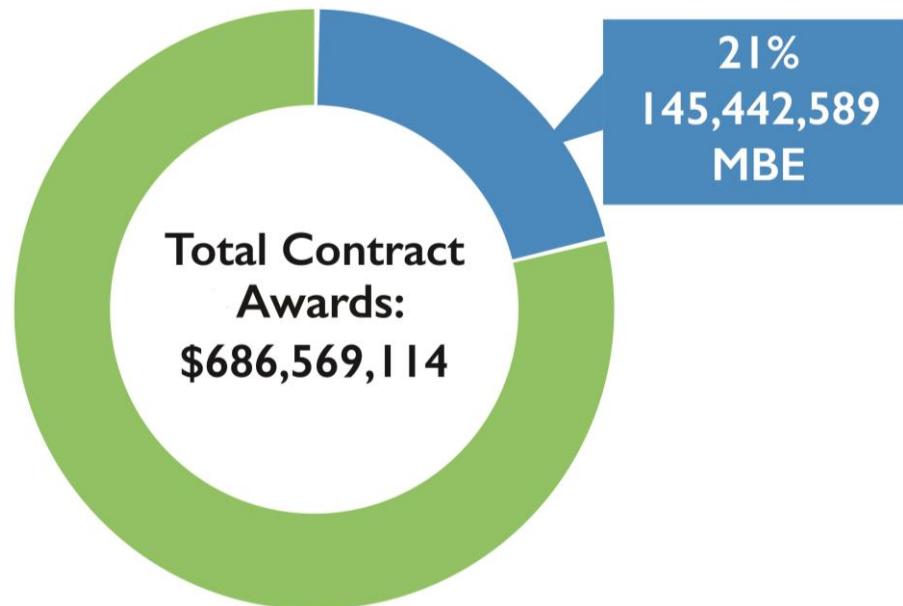
Over the past five years, WSSC Water has spent more than \$707 million with MBE firms – an average of 26%.

Fiscal Year	MBE Percent	MBE Payments	Majority Payments	Total Contract Payments
2016	20%	\$114,832,166	\$472,666,623	\$587,498,789
2017	27%	\$156,900,804	\$431,874,399	\$588,775,203
2018	28%	\$146,562,712	\$371,871,789	\$518,434,501
2019	29%	\$152,510,264	\$364,643,293	\$517,153,557
2020	28%	\$136,209,781	\$345,266,091	\$481,475,872
Total	26%	\$707,015,727	\$1,986,322,195	\$2,693,337,922

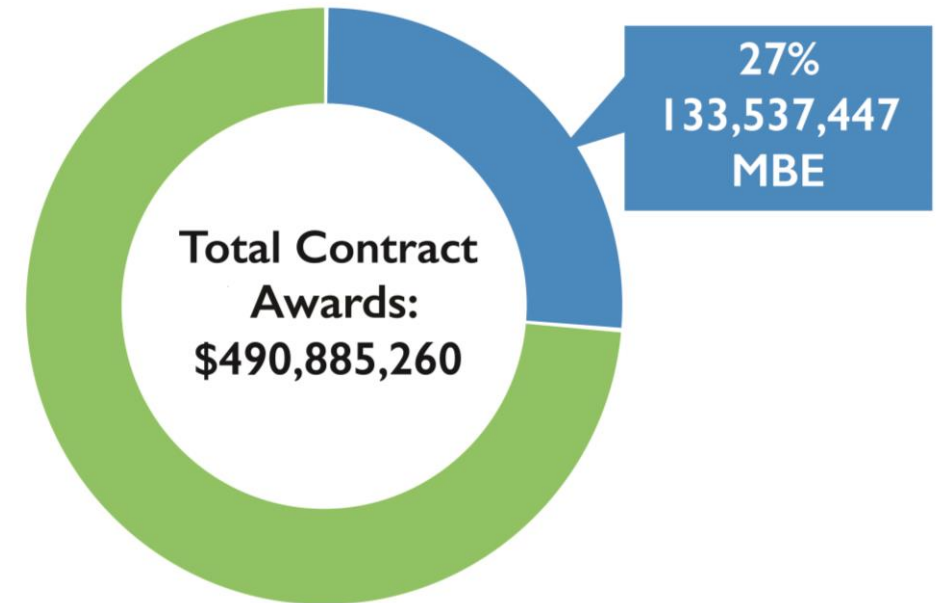
FY 2020 MBE Contract Awards

In FY 2020, WSSC Water awarded \$145 million (21%) in contracts to MBE firms as compared to \$133 million (27%) in FY 2019.

FY 2020 MBE Awards



FY 2019 MBE Awards



MBE Contract Awards by Contracting Area

WSSC Water awarded nearly 40% of all Professional Services contracts to MBE firms in FY 2020.

Contracting Area	Aspirational Goals	MBE Percent	Combined MBE/WBE Awards	MBE Awards	WBE Awards	Majority Awards	Total Contract Awards
A/E Services	24%	26%	\$13,161,018	\$13,161,018	\$0	\$37,175,908	\$50,336,926
Construction Services	13%	*11%	\$43,975,677	\$43,975,677	\$0	\$352,306,003	\$396,281,680
Goods & Services	33%	36%	\$63,262,450	\$44,563,597	\$18,698,853	\$112,034,482	\$175,296,932
Professional Services	23%	39%	\$25,043,444	\$19,909,472	\$5,133,972	\$39,610,132	\$64,653,576
Total for all Contract Areas		*21%	\$145,442,589	\$121,609,764	\$23,832,825	\$541,126,525	\$686,569,114

* The \$227 million Bioenergy Project is included in this figure. Excluding that outlier, MBE Awards equal 27% of all Contract Awards.

MBE Prime and Subcontractor Awards

Of the \$145 million in MBE contract awards, \$90 million (62%) was awarded at the Prime contract level.

Contracting Area	Prime Percent of MBE Awards	MBE Prime Awards	MBE Subcontractor Awards	Total MBE Contract Awards
A/E Services	20%	\$2,588,000	\$10,573,018	\$13,161,018
Construction Services	14%	\$6,138,767	\$37,836,910	\$43,975,677
Goods & Services	96%	\$60,984,894	\$2,277,556	\$63,262,450
Professional Services	83%	\$20,781,244	\$4,262,200	\$25,043,444
Total for all Contract Areas	62%	\$90,492,905	\$54,949,684	\$145,442,589

MBE Contract Awards FY 2016 – FY 2020

Over the past five years, WSSC Water has awarded more than \$823 million in contracts to MBE firms – an average of 28%.

Fiscal Year	MBE Percent	MBE Awards	Majority Awards	Total Contract Awards
2016	27%	\$150,968,610	\$414,737,966	\$565,706,576
2017	37%	\$236,136,069	\$406,535,728	\$642,671,797
2018	26%	\$157,038,252	\$451,232,104	\$608,270,356
2019	27%	\$133,537,447	\$357,347,813	\$490,885,260
2020	21%	\$145,442,589	\$541,126,525	\$686,569,114
Total	28%	\$823,122,967	\$2,170,980,136	\$2,994,103,103

Small Local Business Enterprise (SLBE) Program Results



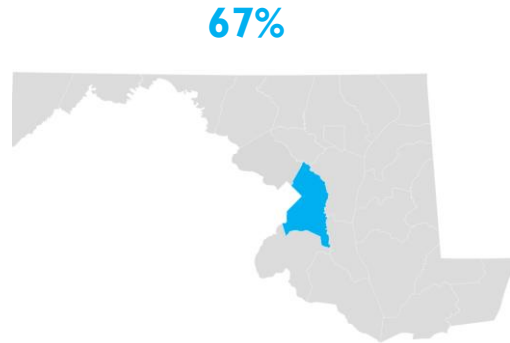
SLBE Contract Payments by Contracting Area

WSSC Water spent \$34 million with SLBE firms, with \$27 million in the Construction Services contracting area.

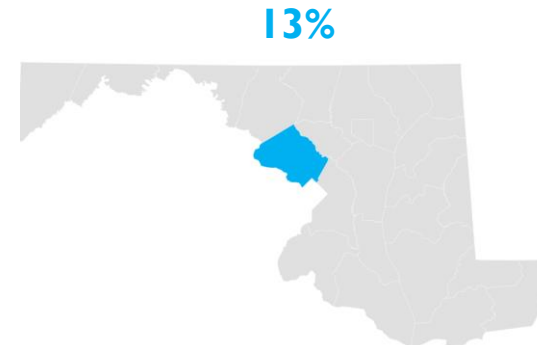
Contracting Area	SLBE Contract Payments
A/E Services	\$243,342
Construction Services	\$27,260,616
Goods & Services	\$6,643,602
Professional Services	\$699,760
Total for all Contract Areas	\$34,847,320

SLBE Contract Payments by Location

Prince George's and Montgomery County received 80% of WSSC Water's SLBE payments.



Prince George's County



Montgomery County



Maryland (all other counties)



Washington D.C.



SLBE Contract Awards by Contracting Area

WSSC Water awarded \$37 million in contracts to SLBE firms, with \$15 million in the Construction Services contracting area.

Contracting Area	SLBE Prime Awards	SLBE Subcontractor Awards	Total SLBE Contract Awards
A/E Services	\$0	\$3,809,810	\$3,809,810
Construction Services	\$0	\$15,839,322	\$15,839,322
Goods & Services	\$2,123,195	\$9,832,045	\$11,955,240
Professional Services	\$350,000	\$5,100,149	\$5,450,149
Total for all Contract Areas	\$2,473,195	\$34,581,326	\$37,054,521

Supplier Diversity Fiscal Year 2021



- Increased Outreach – Virtual Trainings/Workshops



- Virtual “Tap Into Business” Conference



- Focus Groups with MBE/SLBE Vendors



- Comprehensive Review of MBE/SLBE Regulations, Procedures



- Disparity Study

OFFICE OF SUPPLIER DIVERSITY & INCLUSION

FISCAL YEAR 2020 PERFORMANCE REPORT
July 1, 2019 - June 30, 2020

DRAFT



WSSC Water Commissioners



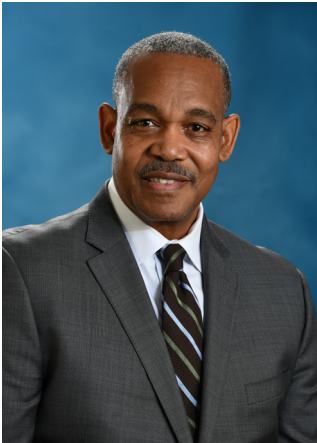
**Howard A. Denis,
Chair
Montgomery County**



**Keith E. Bell,
Vice-Chair
Prince George's County**



**Fausto R. Bayonet,
Commissioner
Montgomery County**



**Chris Lawson,
Commissioner
Prince George's County**



**T. Eloise Foster,
Commissioner
Montgomery County**



**Sandra L. Thompson,
Commissioner
Prince George's County**

The Commissioners submit the following report in accordance with §20-207 of the Public Utilities Article, Annotated Code of Maryland. By October 31st of each year, WSSC Water shall issue a report to the Montgomery County and Prince George's County Senate and House Delegations to the Maryland General Assembly concerning:

- the implementation and administration of the Minority Business Enterprise programs under this subtitle for the fiscal year ending on the preceding June 30th; and
- appropriate recommendations concerning the programs

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Message from General Manager and CEO Carla A. Reid

Over the past year, amid a global public health and financial crisis, WSSC Water remained steadfast in fulfilling our clean-water mission by delivering the essential to 1.8 million residents living and working in Prince George's and Montgomery counties. Now more than ever, we recognize the importance of providing life's most precious resource – safe and reliable water. I'll echo the message that I continue to share with all WSSC Water employees, "We are in this together and stronger together!" And that includes our strong partnerships with the business community.



During Covid-19, WSSC Water's H₂O heroes and essential workers provided hospitals, government agencies, first responders, front line workers and our customers with a critical component in fighting the spread of the Novel Coronavirus – access to clean water. But we didn't do it alone. Our diverse supplier community has been an integral part of our ability to fulfill this vital public-health need.

Our supplier partners remained innovative, flexible and committed to delivering to us the critical personal protective equipment, products, and services that allow us to safely do our jobs. We cannot fulfill our clean-water mission without the expertise and partnership of our diverse business community. In turn, our business needs enable small and diverse businesses to create jobs and drive economic development in Prince George's and Montgomery counties. Their resiliency and resolve over the past year inspires us.

I am confident that the work in our Office of Supplier Diversity & Inclusion will continue to expand and increase opportunities for diverse businesses in our communities. While we continue work to ensure an inclusive and equitable purchasing environment at WSSC Water, we celebrate the accomplishments achieved thus far. The result of our efforts can be found in this year's Performance Report.

Here are a few key accomplishments:

- Spending 28% of our overall payments with diverse businesses — \$136 million;
- Exceeding our Aspirational Goals for payments to diverse businesses in all contracting areas;
- Awarding \$145 million in contracts to diverse businesses; and
- Awarding \$36 million to diverse businesses as a part of the innovative Piscataway Bioenergy project.

Thank you for your unwavering support of WSSC Water and our ongoing efforts to strengthen outreach to, and contracting opportunities for, our diverse business community. Working as one, we are all **Stronger Together!**

Sincerely,

A handwritten signature in black ink, appearing to read 'Carla A. Reid'. The signature is fluid and cursive.

Carla A. Reid
General Manager/CEO

About WSSC Water

Who We Are



Established in 1918, WSSC Water is currently among the largest water and wastewater utilities in the nation, with a network of nearly 5,768 miles of freshwater pipeline and over 5,578 miles of sewer pipeline maintained by WSSC Water. WSSC Water provides life-sustaining water and resource recovery services that are critical to public health. Our work makes it possible for individuals, families, and businesses to enjoy quality of life. For more than 100 years, 24 hours a day, seven days a week, we have served nearly 1.8 million residents in Prince George's and Montgomery Counties. We balance the needs of the present, protect the

environment for future generations and ensure access to life's essential — clean water.

Mission

Our mission is to provide safe, reliable water and, return clean water to our environment, all in an ethical, sustainable and financially responsible manner. WSSC Water understands that our success protects the health and well-being of communities, children, families, animals and the environment. Since our establishment in May 1918, WSSC Water has never had a water quality violation.



Office of Supplier Diversity & Inclusion

The Office of Supplier Diversity & Inclusion (OSDI) is committed to supporting diverse businesses. Since 1978, the office has administered WSSC Water's Minority Business Enterprise (MBE) Program (race and gender conscious) with the addition of the Small Local Business Enterprise (SLBE) Program (race and gender neutral) in 2001. Both programs continue to respond to the urgent need to eliminate barriers to success in the public marketplace for Prime Contractors and Subcontractors.

The MBE and SLBE Programs reflect the commitment of the Commissioners, General Manager and Senior Leadership Team. This commitment reflects an understanding of the economic impact and level of job creation generated by the diverse businesses in the communities we serve. WSSC Water understands that when our diverse businesses experience growth in a fair and inclusive environment, our entire community benefits.

Fiscal Year 2020 Programs Performance Results

Minority Business Enterprise (MBE) Program Results

The continuation of the MBE Program at WSSC Water remains a critical component to remedying the effects of discrimination and eliminating barriers to contracting opportunities for diverse businesses. For more than 40 years, the MBE Program has sought to promote fair and inclusive contract participation, provide greater access for diverse firms, and produce educational content to further develop diverse businesses. The Office of Supplier Diversity & Inclusion works diligently to increase the use of MBE and SLBE firms throughout WSSC Water. This combined approach has yielded the following key results for Fiscal Year 2020.

Key Results:

MBE Payments

- WSSC Water spent \$136 million (28%) with diverse businesses.
- WSSC Water met or exceeded its Aspirational Goals for payments to diverse firms in all contracting areas (Architecture & Engineering, Construction Services, Goods & Services and Professional Services).
- WSSC Water spent 79% of its MBE payments with firms located in Maryland and Washington D.C.

Key Results:

MBE Awards

- WSSC Water awarded \$686 million in contracts, which included \$145 million (21%) in contract awards to diverse businesses.
- WSSC Water exceeded its Aspirational Goals for contract awards to diverse firms in Architecture & Engineering, Goods & Services and Professional Services.
- WSSC Water awarded 62% of its MBE contract awards at the prime contracting level.



Fiscal Year 2020 Contract Payments and Contract Awards

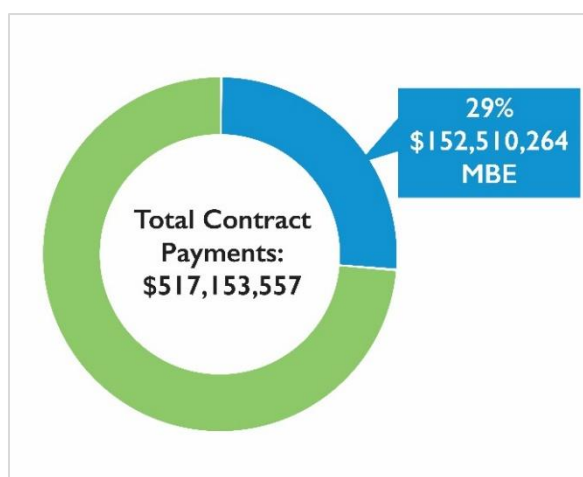
For the purpose of the FY 2020 Office of Supplier Diversity & Inclusion Performance Report, WSSC Water's contract payments and contract awards are based on the service areas of Prince George's and Montgomery Counties, other surrounding communities/counties in Maryland, Washington D.C. and out-of-state cities. Women Business Enterprise (WBE) firms are included in the MBE figures throughout this report, unless otherwise noted. The following pages provide an aggregate of the data for contract payments and contract awards for FY 2020.

In FY 2020, WSSC Water spent more than \$136 million (28%) with MBE firms (see Figure 1) as compared to \$152 million (29%) in FY 2019 (see Figure 2).

Figure 1: FY 2020 MBE Contract Payments



Figure 2: FY 2019 MBE Contract Payments



In FY 2020, WSSC Water awarded \$145 million (21%) in contracts to MBE firms (see Figure 3) as compared to \$133 million (27%) in FY 2019 (see Figure 4).

Figure 3: FY 2020 MBE Contract Awards

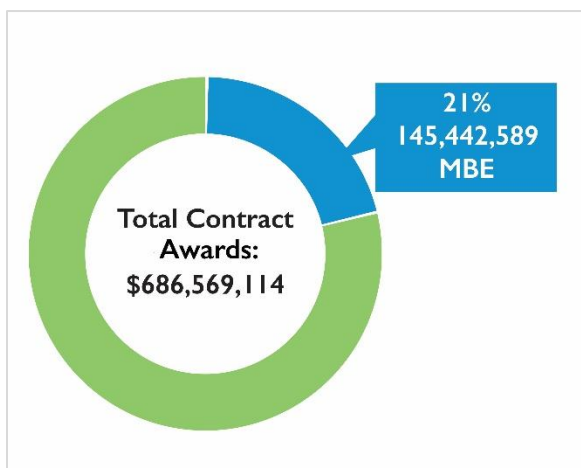
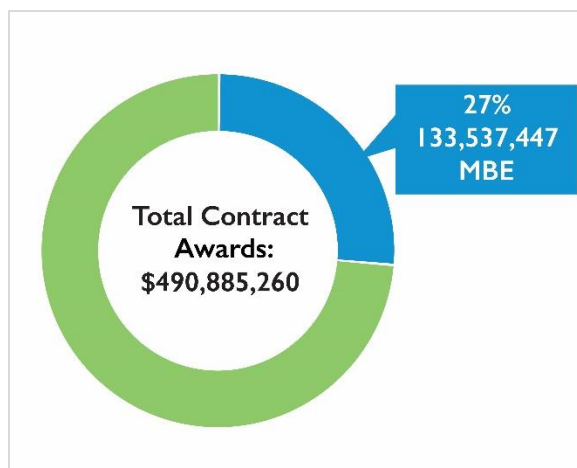


Figure 4: FY 2019 MBE Contract Awards



MBE Contract Payments

The cornerstone of the MBE Program and a key performance measure is the dollar value of contract payments made to MBE firms. Actual contract payments to MBE firms measure the meaningful success of the MBE Program. The charts and graphs in the figures below provide a breakdown of MBE contract payments. All MBE payments reported for Fiscal Year 2020 have been validated by MBE firms.

In FY 2020, WSSC Water's contract payments totaled \$481 million, while the MBE contract payments totaled \$136 million (28%), shown in Figure 5. WSSC Water's total contract payments are categorized into four (4) broad contracting areas: Architecture & Engineering, Construction Services, Goods & Services, and Professional Services. WSSC Water established MBE Aspirational Goals based upon the results of the 2015 Disparity Study.

In FY 2020, WSSC Water met or exceeded the Aspirational Goals for each contracting area. Throughout the lifecycle of a contract, several variables influence the utilization of contractors, including change orders, contract scope changes, and the availability of the proposed project team.

Figure 5: Summary of Contract Payments by Contracting Area

Contracting Area	Aspirational Goals	MBE Percent	Combined MBE/WBE Payments	MBE Payments	WBE Payments	Majority Payments	Total Contract Payments
A/E Services	24%	24%	\$9,161,885	\$8,222,891	\$938,994	\$28,283,383	\$37,445,268
Construction Services	13%	24%	\$55,214,658	\$54,878,326	\$336,332	\$174,847,722	\$230,062,380
Goods & Services	33%	33%	\$45,454,818	\$35,968,911	\$9,485,907	\$94,288,541	\$139,743,359
Professional Services	23%	36%	\$26,378,420	\$24,456,256	\$1,922,164	\$47,846,445	\$74,224,865
Total for all Contract Areas		28%	\$136,209,781	\$123,526,384	\$12,683,397	\$345,266,091	\$481,475,872

Figure 6 shows that Hispanic American and African American firms received the largest share of MBE contract payments at 31% and 30% respectively, followed by Asian American, Women-Owned and Native American firms.

Figure 6: MBE Contract Payments by Classification

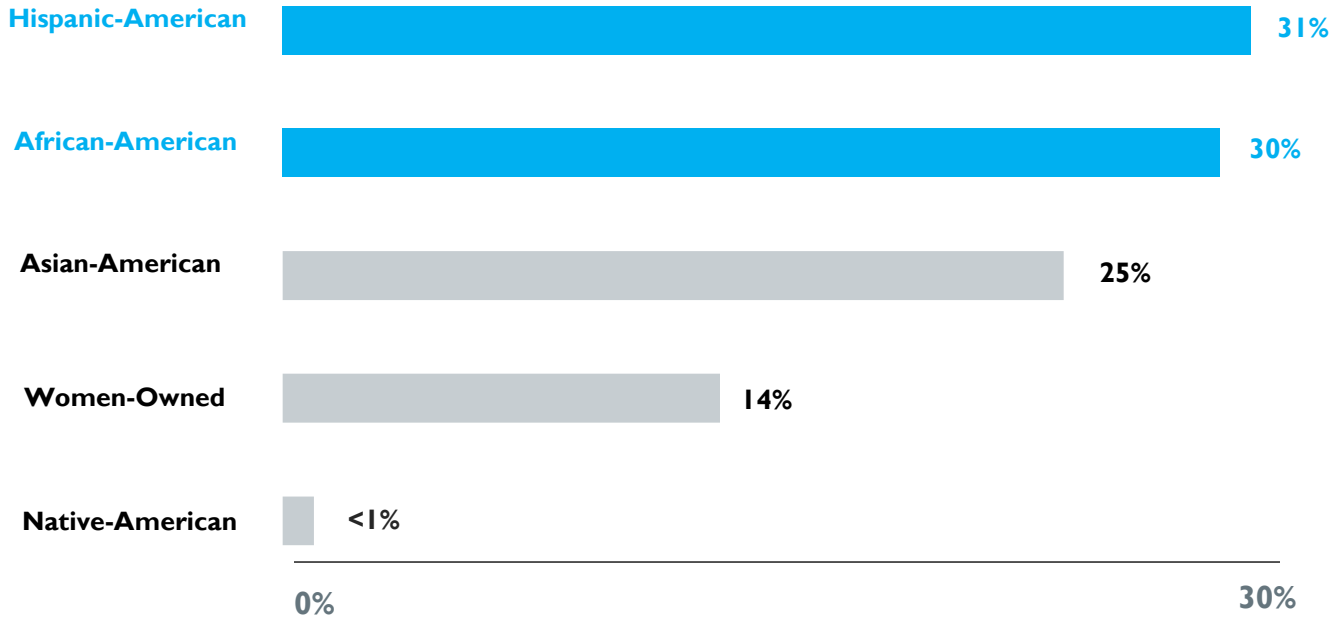
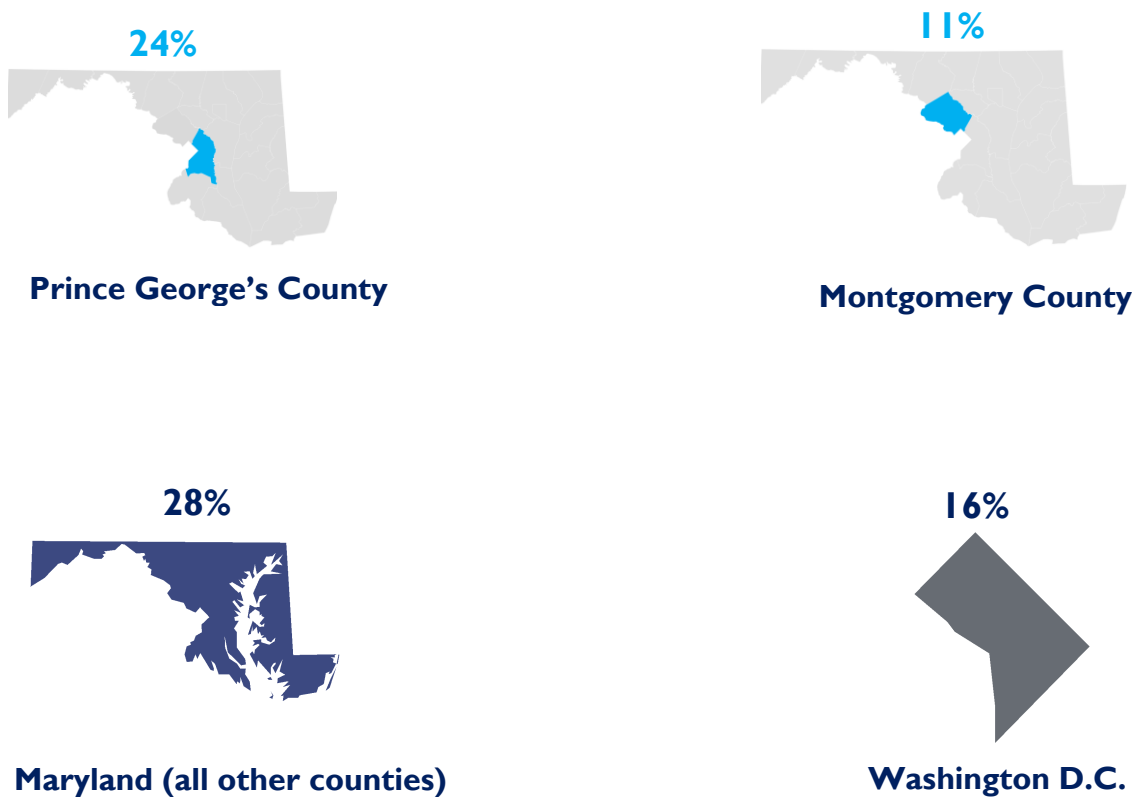


Figure 7: MBE Contract Payments by Location

Figure 7 shows that Maryland and Washington D.C. firms received 79% of WSSC Water's MBE payments in FY 2020. WSSC Water spent 24% with MBE firms in Prince George's County and 11% with firms in Montgomery County.



Over the past 5 years, WSSC Water has spent more than \$707 million with MBE firms – an average of 26%.

Figure 8: MBE Contract Payments, FY 2016 – FY 2020

Fiscal Year	MBE Percent	MBE Payments	Majority Payments	Total Contract Payments
2016	20%	\$114,832,166	\$472,666,623	\$587,498,789
2017	27%	\$156,900,804	\$431,874,399	\$588,775,203
2018	28%	\$146,562,712	\$371,871,789	\$518,434,501
2019	29%	\$152,510,264	\$364,643,293	\$517,153,557
2020	28%	\$136,209,781	\$345,266,091	\$481,475,872
Total	26%	\$707,015,727	\$1,986,322,195	\$2,693,337,922

Thirteen requests for a full or partial waiver of the MBE/SLBE subcontracting goals were received in FY 2020. Of the 13 requests, 12 were approved and one was denied.

MBE Contract Awards

Contract awards serve as a leading indicator of future contract payments. Since contracts may have multi-year terms, the impact of contract award dollars on contract expenditures may extend beyond a single fiscal year.

WSSC Water awarded \$145 million (21%) in contracts to MBE firms as depicted in Figure 9 below. The Contract Awards for Fiscal Year 2020 include the \$227 million Piscataway Bioenergy project. This technically advanced project is one of five Bioenergy projects currently in construction in the United States. This transformational project will turn waste into renewable energy, reducing the amount of greenhouse emissions and ultimately delivering \$3 million in cost savings per year. Excluding the Bioenergy Project, contract awards to MBE firms would equal 27% of all contract awards in FY 2020.

Figure 9: MBE Contract Awards by Contracting Area

Contracting Area	Aspirational Goals	MBE Percent	Combined MBE/WBE Awards	MBE Awards	WBE Awards	Majority Awards	Total Contract Awards
A/E Services	24%	26%	\$13,161,018	\$13,161,018	\$0	\$37,175,908	\$50,336,926
Construction Services	13%	11%	\$43,975,677	\$43,975,677	\$0	\$352,306,003	\$396,281,680
Goods & Services	33%	36%	\$63,262,450	\$44,563,597	\$18,698,853	\$112,034,482	\$175,296,932
Professional Services	23%	39%	\$25,043,444	\$19,909,472	\$5,133,972	\$39,610,132	\$64,653,576
Total for all Contract Areas		21%	\$145,442,589	\$121,609,764	\$23,832,825	\$541,126,525	\$686,569,114

Of the \$145 million in MBE contract awards, \$90 million (62%) was awarded to prime MBE firms and another \$54 million to MBE subcontractors (see Figure 10).

Figure 10: MBE Prime and Subcontractor Contract Awards

Contracting Area	Prime Percent of MBE Awards	MBE Prime Awards	MBE Subcontractor Awards	Total MBE Contract Awards
A/E Services	20%	\$2,588,000	\$10,573,018	\$13,161,018
Construction Services	14%	\$6,138,767	\$37,836,910	\$43,975,677
Goods & Services	96%	\$60,984,894	\$2,277,556	\$63,262,450
Professional Services	83%	\$20,781,244	\$4,262,200	\$25,043,444
Total for all Contract Areas	62%	\$90,492,905	\$54,949,684	\$145,442,589

Over the past 5 years, WSSC Water has awarded more than \$823 million in contracts to MBE firms – an average of 28% of its contracts (see Figure 11).

Figure 11: MBE Contract Awards, FY 2016 – FY 2020

Fiscal Year	MBE Percent	MBE Awards	Majority Awards	Total Contract Awards
2016	27%	\$150,968,610	\$414,737,966	\$565,706,576
2017	37%	\$236,136,069	\$406,535,728	\$642,671,797
2018	26%	\$157,038,252	\$451,232,104	\$608,270,356
2019	27%	\$133,537,447	\$357,347,813	\$490,885,260
2020	21%	\$145,442,589	\$541,126,525	\$686,569,114
Total	28%	\$823,122,967	\$2,170,980,136	\$2,994,103,103

Small Local Business Enterprise (SLBE) Program Results

WSSC Water’s SLBE Program was created to provide race- and gender-neutral contracting opportunities for small businesses principally located in Prince George’s and Montgomery Counties. The SLBE Program furthers WSSC Water’s objective of fostering broad-based competition within the vendor community. The programmatic benefits for participants include: contract-specific subcontracting goals, prime preferences, and the Optimization of Diverse Business Development Program (formerly Sheltered Market). These benefits translate into economic growth for small businesses through increased payments and award of WSSC Water contracts.

WSSC Water spent \$34 million with SLBE firms in FY 2020 (see Figure 12). WSSC Water awarded \$37 million in contracts to WSSC-Approved SLBE firms (see Figure 13).

Figure 12: FY 2020 SLBE Contract Payments



Figure 13: FY 2020 SLBE Contract Awards



SLBE Contract Payments

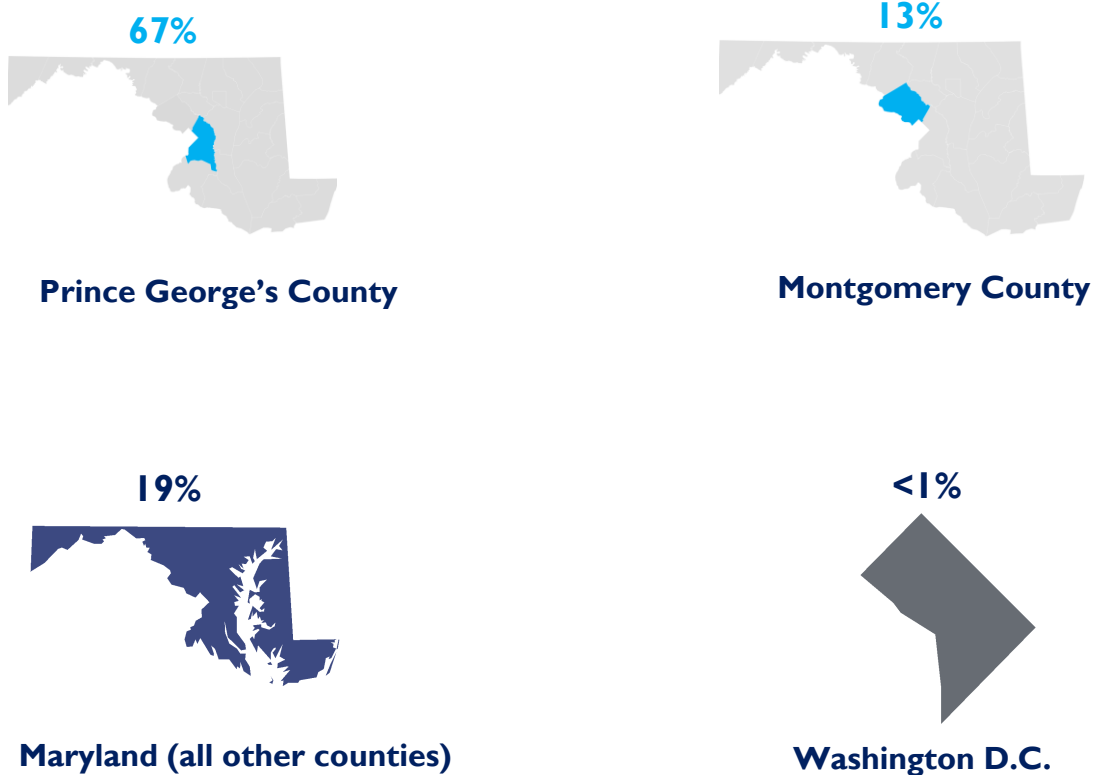
WSSC Water spent \$34 million as depicted in Figure 14, with more than \$27 million in the Construction Services contracting area.

Figure 14: SLBE Contract Payments by Contracting Area

Contracting Area	SLBE Contract Payments
A/E Services	\$243,342
Construction Services	\$27,260,616
Goods & Services	\$6,643,602
Professional Services	\$699,760
Total for all Contract Areas	\$34,847,320

Figure 15 shows that 67% of SLBE payments went to firms located in Prince George's County and another 13% to firms in Montgomery County. Firms are eligible for consideration in WSSC Water's SLBE Program if the firm's principal location is in Prince George's or Montgomery County, or if at least 25% of the firm's workforce resides in either county.

Figure 15: SLBE Contract Payments by Location



SLBE Contract Awards

WSSC Water awarded \$37 million to WSSC-Approved SLBE firms in FY 2020, as depicted in Figure 16.

Figure 16: SLBE Contract Awards by Contracting Area

Contracting Area	SLBE Prime Awards	SLBE Subcontractor Awards	Total SLBE Contract Awards
A/E Services	\$0	\$3,809,810	\$3,809,810
Construction Services	\$0	\$15,839,322	\$15,839,322
Goods & Services	\$2,123,195	\$9,832,045	\$11,955,240
Professional Services	\$350,000	\$5,100,149	\$5,450,149
Total for all Contract Areas	\$2,473,195	\$34,581,326	\$37,054,521

Fiscal Year 2021

Our Commitment

Having access to a diverse and robust supply chain is a critical component of ensuring that we can **Deliver the Essential** to our customers in Prince George's and Montgomery Counties. And while our diverse supplier community works with us to achieve our mission, the Office of Supplier Diversity & Inclusion remains committed to **Delivering the Essential** for our business community.

Essential opportunities, essential access and essential training.

The 2020 Disparity Study will continue this year and examine our spend with diverse businesses to determine if disparities exist, and to what extent, in our contracting process. This work is critical to eliminating barriers of systemic racism and increasing opportunities for diverse firms. While our programs to increase contracting with small and diverse businesses have been successful, we know there's more work to do. We are seeking feedback from our diverse business community throughout the Disparity Study process. All public comments can be sent to: DisparityStudy@wsscwater.com.

We ended our fiscal year amid a global health and economic pandemic, with supply chains being interrupted and small businesses suffering. We remain committed and will continue delivering innovative and educational content that provides diverse businesses with a roadmap to achieving successful outcomes in contracting with WSSC Water. Through online and virtual platforms, the Office of Supplier Diversity & Inclusion and the Procurement Office will provide information and resources for diverse firms seeking to do business with WSSC Water.

Our Commissioners, General Manager/CEO, Senior Leadership Team and Office of Supplier Diversity & Inclusion remain committed to advancing and increasing opportunities for our diverse supplier community.

For more information about WSSC Water's Office of Supplier Diversity & Inclusion and our MBE and SLBE Programs, visit www.wsscwater.com/SupplierDiversity.

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WSSC WATER
DELIVERING THE ESSENTIAL



WASHINGTON SUBURBAN SANITARY COMMISSION (“WSSC”) SMALL LOCAL BUSINESS ENTERPRISE (“SLBE”) GUIDELINES AND INSTRUCTIONS FOR COMPLETING REGISTRATION APPLICATION FORM (R) AND REGISTRATION AFFIDAVIT FORM (R-A)

You may find these guidelines helpful when completing the SLBE Application (forms R and R (a)) for the Washington Suburban Sanitary Commission’s (“WSSC”) Small Local Business Enterprise (“SLBE”). WSSC Water recognizes the importance of the financial sustainability of the communities that it serves. To demonstrate WSSC Water’s commitment to small local businesses, the SLBE Program was established in 2001. The SLBE Program is administered by WSSC Water’s Office of Supplier Diversity & Inclusion (“OSDI”). This race- and gender-neutral program supports WSSC Water with fostering effective, broad-based competition from all segments of the local business community; develop SLBEs into viable Prime Contractors which will provide new sources of competition for WSSC Water’s Contracts; and promote growth of the vendor/supplier pool of small and locally-based businesses.

NEW Applicants

- ✓ All firms must register in WSSC Water’s Supplier Portal System prior to submitting an application. To access the WSSC Water’s Supplier Portal System you may log onto the following web link:
<https://www.wsscwater.com/supplier>.
- ✓ The application process time may take up to **ninety (90) business days**.
- ✓ Complete and submit the **SLBE Application (Form - R)**.
- ✓ **The Registration Affidavit (Form R-A) must be notarized and signed**. Please submit this form along with the necessary documents. The affidavit must verify that the firm meets all of the eligibility criteria established by Maryland Law along with those stipulated by WSSC Water.
- ✓ Firms must complete and provide all necessary documentation in support of the SLBE Application **within 30 business days from notice of receipt of the Application** from the OSDI. Applicants will be automatically **WITHDRAWN** from the application process when **30 business days have expired** to provide the necessary documentation. A withdrawal letter will be issued.
- ✓ A certified accounting firm contracted by WSSC Water will provide an independent review of the SLBE application in accordance with the guidelines of the SLBE Program.
- ✓ The required documentation for review include and not limited to the following:
 - Signed tax returns (personal and corporate)
 - 4506 Form (download from IRS.gov)
 - Resumes of each principal
 - Business License (if applicable)
 - Documents supporting legal structure i.e. certificate of incorporation, articles of incorporation, articles of organization, partnership agreements
- ✓ Applicants can voluntarily **withdraw** their SLBE Application in writing.

**WASHINGTON SUBURBAN SANITARY COMMISSION (“WSSC”)
SMALL LOCAL BUSINESS ENTERPRISE (“SLBE”) GUIDELINES AND INSTRUCTIONS FOR COMPLETING
REGISTRATION APPLICATION FORM (R) AND REGISTRATION AFFIDAVIT FORM (R-A)**

- ✓ Applicants that **withdraw** may submit a new application along with the supporting documentation.
- ✓ Firms that are **denied approval** may resubmit a new application **one (1) year** from the denial date.
- ✓ Firms must be **APPROVED** in the SLBE Program at the time of bid for WSSC-funded solicitations that contain SLBE preferences or SLBE subcontracting requirements.
- ✓ Firms who are certified as United States’ Service Disabled Veteran (SDV) must submit proof of certification along with the SLBE Application (Form – R).

A firm must meet the eligibility criteria set forth below to receive an Approved-SLBE designation(s).

- 1)** A firm must have its **principal place of business** or a Significant Employment Presence in Montgomery County or Prince George’s County. A firm is considered to have a significant employment presence when at least **twenty-five percent (25%)** of the firm’s total number of employees are domiciled in either Prince George’s or Montgomery Counties.
- 2)** Is an independently-owned and operated for-profit business concern that is not a subsidiary of another business; is not dominant in its field of operation; is performing a commercially useful function; and is not a broker as defined in COMAR 21.01.02.01 B (13-1).
- 3)** Meets size standard eligibility requirements for Small Business Enterprises as defined under the State of Maryland regulations adopted by the Department of General Services pursuant to State Finance & Procurement Article § 14-203 and as coded in (WSSC Code of Regulations, Chapter 6.35) including:

With respect to its employees, either:

(i) The wholesale operations of the Business did not employ more than 50 persons in its most recently completed 3 fiscal years;

(ii) The retail operations of the Business did not employ more than 25 persons in its most recently completed 3 fiscal years;

(iii) The manufacturing operations of the Business did not employ more than 100 persons in its most recently completed 3 fiscal years;

(iv) The service operations of the Business did not employ more than 100 persons in its most recently completed 3 fiscal years;

(v) The construction operations of the Business did not employ more than 50 persons in its most recently completed 3 fiscal years; or

(vi) The architect and engineering services of the Business did not employ more than 100 persons in its most recently completed 3 fiscal years;

**WASHINGTON SUBURBAN SANITARY COMMISSION (“WSSC”)
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and

With respect to its gross sales:

- (i) The gross sales of its wholesale operations did not exceed an average of \$4,000,000 in its most recently completed 3 fiscal years;
- (ii) The gross sales of its retail operations did not exceed an average of \$3,000,000 in its most recently completed 3 fiscal years;
- (iii) The gross sales of its manufacturing operations did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years;
- (iv) The gross sales of its service operations did not exceed an average of \$10,000,000 in its most recently completed 3 fiscal years;
- (v) The gross sales of its construction operations did not exceed an average of \$7,000,000 in its most recently completed 3 fiscal years; and
- (vi) The gross sales of its architectural and engineering operations did not exceed an average of \$4,500,000 in its most recently completed 3 fiscal years.

Note: If a business has not existed for 3 years, the employment and gross sales shall be the average(s) for each year or part of year during which the business has been in existence.

- 4) The business has been established for at least one (1) year** or the principals of the business must have at least **three (3) years of relevant experience** prior to forming or joining the business.

Upon receipt of SLBE Program application, the Office of Supplier Diversity & Inclusion shall review all enclosed application affidavits and documentation to make a determination as to whether the applicant successfully satisfies the SLBE eligibility requirements as set forth in the SLBE Program Regulations (WSSC Code of Regulations, Chapter 6.35). Applicants determined ineligible to participate as a SLBE shall receive a letter from the Office of Supplier Diversity & Inclusion stating the basis for the denial of eligibility. Applicants determined ineligible shall not be eligible to submit a new application for **one (1) year** after the date of the notice of denial of eligibility.

Applicants determined eligible to participate in the SLBE program **shall submit a completed application every two (2) years** to the Office of Supplier Diversity & Inclusion for review and continued approval status.

**WASHINGTON SUBURBAN SANITARY COMMISSION (“WSSC”)
SMALL LOCAL BUSINESS ENTERPRISE (“SLBE”) GUIDELINES AND INSTRUCTIONS FOR COMPLETING
REGISTRATION APPLICATION FORM (R) AND REGISTRATION AFFIDAVIT FORM (R-A)
Re-Approval Applicants**

The criteria are the same as a new applicant and submission of all documents are required with the exception of a resume.

Additional SLBE Program Information

- ✓ WSSC Water, in conjunction with the appropriate Contract Manager, Administrative Contract Manager and the Office of Supplier Diversity & Inclusion (OSDI) may utilize the following methods in assisting in the award of WSSC Water contracts to SLBEs:
 - The OSDI, in conjunction with the appropriate WSSC Contract Manager, Administrative Contract Manager, may at their discretion require that a pre-determined percentage of a contract (**not to exceed 40%**) be subcontracted to eligible SLBE or certified-MWBE firm(s).

A SLBE prime contractor **may not subcontract more than 49%** of the contract value to a non-SLBE or non-MWBE firm(s).

For more information about the SLBE Program, preferences and subcontracting requirements, please refer to SLBE Program Regulation, (WSSC Code of Regulations, Chapter 6.35) which is located on WSSC’s website (www.wsscwater.com).

If you require additional assistance, please contact the Office of Supplier Diversity & Inclusion via telephone at 301.206.8800 or via email at SupplierDiversity@wsscwater.com.