



**Washington Suburban
Sanitary Commission**

Small Local and Minority Business Enterprise Program

Legislative Report

**Fiscal Year 2007
(July 1, 2006–June 30, 2007)**

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PURPOSE OF REPORT

The Washington Suburban Sanitary Commission's ("WSSC") Small, Local and Minority Business Enterprise ("SLMBE") Office is submitting this Legislative Report in accordance with Article 29 §3-102(f)(6) House Bill 691/Ch. 621,2007 of the State of Maryland's Annotated Code, which states the following:

"By September 15 of each year, the WSSC shall issue a report concerning the implementation and administration of the Minority Business Enterprise Program for the Fiscal Year ending on the preceding June 30, and appropriate recommendations concerning the program, the Montgomery County and Prince George's County Senate and House Delegations to the Maryland General Assembly."



Dear Members of the Montgomery and Prince George's County Senate and House Delegations:

In Fiscal Year 2007 the Commission operated under a voluntary MBE Program and mandatory Small, Local Business Enterprise ("SLBE") Program. Some of our accomplishments include:

- **\$38.9M** contract payments to MBE firms;
- **\$19.3M** increase from FY'06 (\$53.5M) in MBE awards (voluntary program), up to **\$72.8M**;
- **\$2.4M** paid to SLBE firms;
- **101** new MBE Firms enrolled in voluntary MBE program; and
- **218** new SLBE firms enrolled in SLBE program.

We believe our supplier base should be as diverse as the 1.8 million residents we serve. As part of this effort, we are committed to being a leader in promoting the utilization of SLMBE firms. The Commission realizes the value of having a diverse and inclusive vendor base that provides us with more options for better products and lower costs.

We appreciate the recognition we received for our dedication to our SLMBE community from Small Business Institute ("SBI") and Maryland Hispanic Chamber of Commerce. As we continue to serve our growing community we must increase our reliance on innovative solutions, services, and ideas offered by our diverse vendor base.

In closing, we are very proud to present our FY'2007 SLMBE Program Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Prem Agarwal".

Prem Agarwal
Chair

A handwritten signature in black ink, appearing to read "Andrew Brunhart".

Andrew Brunhart
General Manager

DEFINITION OF TERMS

Acquisition Office—The Office that procures goods and professional services Commission-wide.

Annual Audit—Each Fiscal Year the Compliance Specialist and the SLMBE Office is required to review and audit the data that has been reported throughout the year. This is to ensure that data has been reported accurately and that no corrections are required to the final monthly report or the annual "Legislative Report" to the Montgomery and Prince George's County House and Senate delegations.

Award—the final selection of a bidder or offeror for a specified prime contract or subcontract dollar amount. Contract awards are made by the Commission to prime contractors or vendors, and by prime contractors or vendors to subcontractors or sub-vendors, usually pursuant to an open invitation for bid ("IFB") or request for proposal ("RFP") process. (Contract awards are to be distinguished from contract payments in that they only reflect the anticipated dollar amounts instead of actual dollar amounts that are paid to a bidder or offeror under an awarded contract.)

Bidder—A firm submitting a price or proposal in response to an Invitation for Bid ("IFB").

Business Process—Documentation of standard SLMBE Office operating procedures.

Compliance—The act of assuring that what is promised is what is paid. Also, as it pertains to the SLMBE Office compliance is the act of reviewing and reporting data to give an accurate picture of how the SLMBE Program is actually performing in the communities that they serve.

Contracting Areas—Areas within the Commission that contract for goods and professional services: Architecture and Engineering, Construction, Goods and Services, and Professional Services.

Fiscal Year—The Commission's Fiscal Year is July 1st through June 30th of the following calendar year.

Goal—In the absence of MBE legislation, the percentage on contracts in all contracting areas was voluntary for this Fiscal Year. There were mandatory percentages placed on many contracts through the race and gender neutral SLBE program on a contract review basis.

Good Faith Effort—Documentation of the bidder's intent to comply with SLBE Program goals, and evaluation of that intent from a review of the documentation to support the actions taken.

"K"—The capital letter "K" refers to thousand(s) dollar(s) when preceded by numbers and dollar sign e.g. \$250K.

Local Business Enterprise (“LBE”)—A firm having a principal place of business or a significant employment presence in Prince George’s or Montgomery County, Maryland. This definition is subsumed within the definition of Small Local Business Enterprise.

“M”—The capital letter “M” refers to million(s) dollar(s) when preceded by numbers and dollar sign e.g. \$150M.

MBE Percentage—The calculation of the MBE % is based upon the total awards/payments (Majority plus MBE) and the total awards/payments made to certified MBEs. Since the MBE percentage is a sliding scale it is possible to have a lower MBE payment percentage and higher MBE payment dollar amount than previous years e.g. 26% of \$100,000 (\$26,000) is less dollars than 20% of 200,000 (\$40,000) but the percentage is lower. The equation used to calculate MBE awards/payments as a percent of the total contracts awarded or total contract payments is as follows:

$$\frac{\text{Certified MBE Total Contract Payments}}{\text{WSSC's Total Contract Payments (Certified MBE Total Contract Payments + Majority Total Contract Payments)}} = \text{MBE \%}$$

Minority Business Enterprise (“MBE”)—Any legal entity that is organized to engage in commercial transactions, which is at least **51%** owned and controlled by one or more minority persons; and which has been certified as minority-owned by the Maryland Department of Transportation (MDOT), Prince George’s County Government Minority Business Development Division, the District of Columbia Office of Small Local Business Development, or any governmental certification agency which substantially duplicates the requirements of the Maryland Department of Transportation.

Notice to Proceed—Notification to a prime contractor giving approval to begin work on an awarded contract.

Payment(s)—Dollars actually paid to prime and/or subcontractors and vendors for WSSC contracted goods and/or services.

Prime Contractor—The vendor or contractor to whom a purchase order or contract is issued by the WSSC for purposes of providing goods or services for the WSSC.

Principal Place of Business—A location wherein a firm maintains a physical office and through which it obtains no less than **50%** of its overall customers or sales dollars.

Procurement Card (“P-Card”)—Credit card utilized by Commission employees to purchase items under **\$5000.00**. These expenditures are not currently included in the MBE payment data.

Self-Certifying—Firms that have identified themselves as small, minority or disadvantaged. These firms have not received certification from an agency that considers financial and other business indicators along with the race and/or gender of the owner.

Significant Employee Presence—At least 25% of a firm’s total number of employees are domiciled in either Prince George’s County and/or Montgomery County.

Small Business Enterprise (“SBE”)—An independently owned and operated business concern, regardless of race, ethnicity or gender. The criteria for a small business qualifying under the State of Maryland’s Small Business Preference Program as established in regulations adopted by the Department of General Services (DGS) under 14-203 of the State Finance and Procurement Article.

Small, Local Business Enterprise (“SLBE”)—An independently owned and operated business, regardless of race, ethnicity or gender; located in Montgomery or Prince George’s County or with 25% of its employees domiciled in one or both counties.

Small, Local and Minority Business Enterprise Office Director (“SLMBE Director”)—The WSSC employee who is responsible for managing the SLMBE Office, and ultimately responsible for overseeing, tracking, monitoring, administrating and implementing of the SLMBE program. The SLMBE Director is also responsible for enforcement of contractor compliance with contract participation requirements, and ensuring that overall program goals and objectives are met.

Small, Local and Minority Business Enterprise Program (“SLMBE Program”)—The combination of the SLBE Program and MBE Program features and Affirmative Procurement Initiatives contained in this Standard Procedure.

Spend Dollars—Dollars actually paid to prime and/or subcontractors and vendors for WSSC contracted goods and/or services.

Subcontractor—Any vendor or contractor who is providing goods or services to a Prime Contractor in furtherance of the Prime Contractor’s performance under a contract or purchase order with the WSSC.

SymTrac—A web-based software application used by the WSSC to track and monitor subcontractor payments.

Voluntary—The contracting goal or method that does not require any pre-determined goal. The subcontracting goal is done willingly by the requested bidder.

Woman-Owned Business Enterprise (“WBE”)—A business that is at least 51% owned **or** controlled by a woman (women) **or**, in the case of a publicly held business 51% of the voting shares are owned **or** controlled by a woman (women and certified as woman-owned by the Maryland Department of Transportation (MDOT), Prince George’s County Government Minority Business Development Division, the District of Columbia Office of Small Local Business Development, or any governmental certification agency which substantially duplicates the requirements of the Maryland Department of Transportation.

WSSC or “The Commission”—Refers to the Washington Suburban Sanitary Commission.

OUR COMMISSION



The WSSC has grown with its service area (1,000 square miles) to become the **8th** largest water and wastewater facility in the United States. The Operating Budget for the Fiscal Year ended in 2007 was **\$757.1 million**. The WSSC is governed by six Commissioners with equal representation for each county (three from Prince George's County and three from

Montgomery County). The Commission serves 1.8 million residents and operates and maintains seven water and wastewater plants, over 5,300 miles of fresh water pipeline and over 5,200 miles of sewer pipeline. In tandem with the mission of the Commission "...*We are entrusted by our community to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in a financially responsible manner;*" the SLMBE Program seeks to increase participation of Small, Local and Minority Business Enterprises ("SLMBE") in the Commission's contracting processes which will generate competition and drive down operating costs for the Commission. The SLMBE Program is a multi-tiered program complete with policies and procedures. The policies and procedures include expenditure goals (voluntary for the Minority Business Enterprise Program during FY'2007), compliance, third party certification requirements, dedicated resources and extensive community outreach.



THE SLMBE OFFICE MISSION STATEMENT

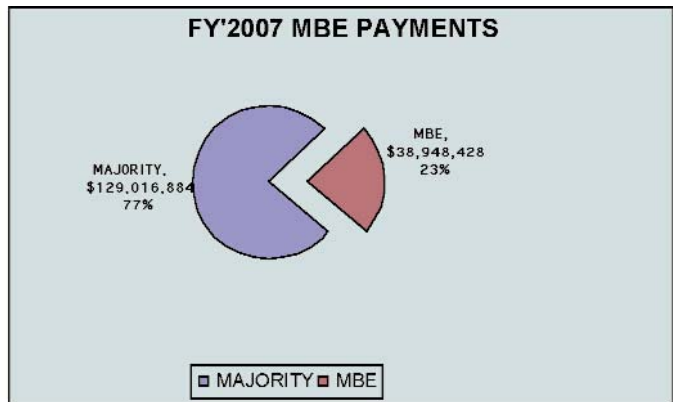
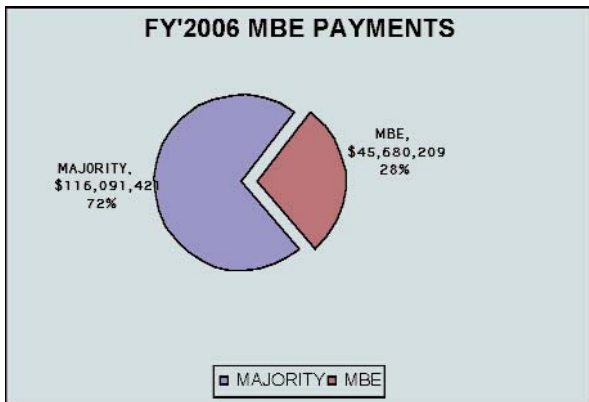
The SLMBE Office is dedicated to creating an inclusive purchasing environment while building sustainable relationships; expanding opportunities; and cultivating growth of small, local minority business enterprises which adds value to the Commission and Community we serve.



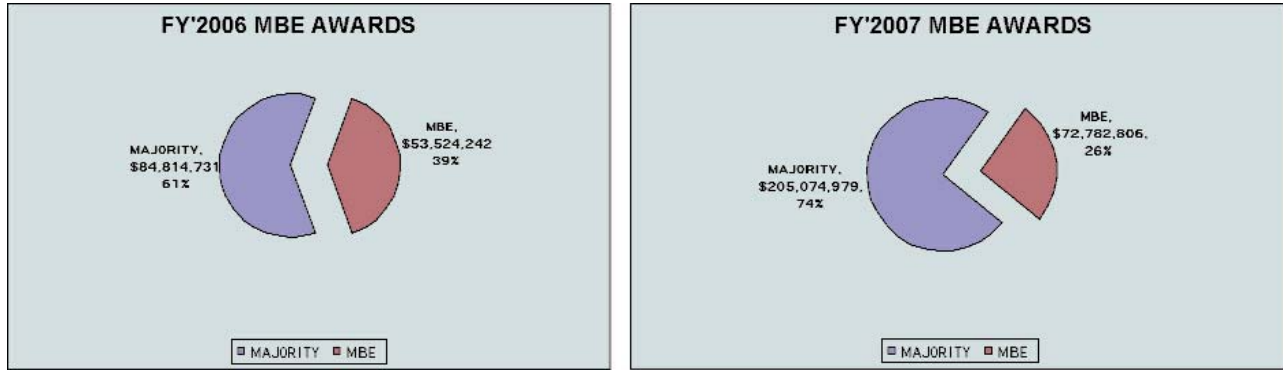
EXECUTIVE SUMMARY

WSSC is committed to establishing a “world-class” SLMBE Program that will support the Commission’s strategic objectives and the community it serves. In order to support the Commission’s objectives, the Staff remains committed to ensuring fair access to contracting opportunities; and to the evaluation, selection, development, alignment and management of SLMBE vendor relationships in a way that supports the Commission’s core strategies. The Commission achieved the results listed below in FY’2007 through a voluntary MBE subcontracting program and a mandatory SLBE subcontracting program. Given the “sun set” of our MBE Program in FY’2007 the results listed below demonstrate our ongoing commitment and dedication to contribute positively to the socio-economic well-being of our Community:

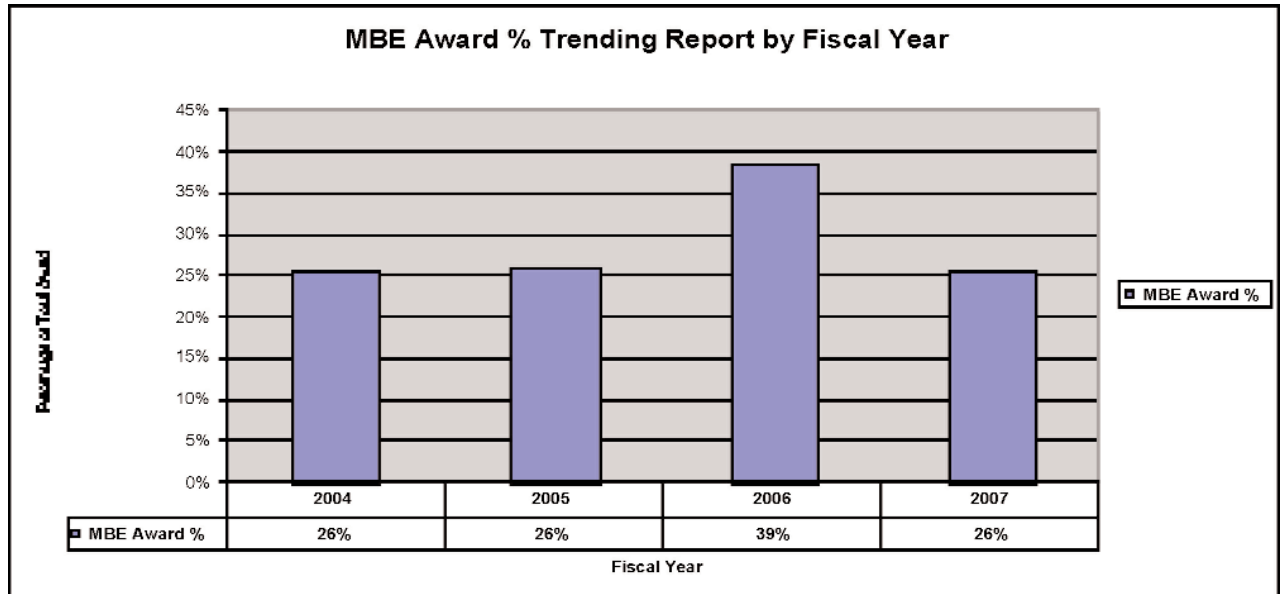
- In Fiscal Year 2007, WSSC paid a total of **\$38.9M** to certified MBE firms, which is quite an achievement under a voluntary MBE Program. Of this total, **30% (\$11.8M)** was paid to African American-owned firms; **7% (\$2.6M)** was paid to Asian-owned firms; **35% (\$13.6M)** was paid to Hispanic-owned firms; and **28% (\$10.9M)** was paid to woman-owned firms. WSSC is positioned to meet our objectives with SLMBE firms in the future by continuing to implement the efforts detailed in this report, the reinstatement of our mandatory MBE Program and the increase in the size standards associated with our SLBE Program.
- In FY’2007, WSSC payments to MBE firms were less than FY’2006 by **\$6.7M**. However, the Commission continues to lead the local area in tracking and reporting payments.



- In FY'2007, WSSC contract awards to MBE firms exceed FY'2006 by **\$19.3M**.



- In FY'2007, the Commission set a record with dollars awarded to MBE firms, with MBE award dollars totaling **\$72.8M**.



SUMMARY REPORT FISCAL YEAR TRENDING REPORT

Fiscal Year	MBE Award	MBE Award %	Majority Award	Total Award
2004	\$ 27,100,151	26%	\$ 77,487,504	\$ 104,587,655
2005	\$ 37,640,676	26%	\$ 106,500,645	\$ 144,141,321
2006	\$ 53,524,242	39%	\$ 84,814,731	\$ 138,338,973
2007	\$ 72,782,806	26%	\$ 205,074,979	\$ 277,857,785

- WSSC hosted, co-hosted and participated in numerous outreach events during FY'2007 in order to further expand our reach into the community and yield real contractual opportunities for our MBE firms. WSSC's SLMBE Staff are active members of supplier diversity-focused organizations locally and nationally.
- WSSC received awards for their dedication and support for Supplier Diversity Programs and SLMBE firms from SBI Public Sector and Maryland Hispanic Chamber of Commerce.
- WSSC continues to maintain a SLMBE web site as part of the Commission's web site at www.wsscwater.com. The web site provides vital information about contracting opportunities and upcoming outreach events.
- In FY'2007, WSSC enhanced its subcontracting compliance system, SymTrac™. The system's improved functionality includes tracking all payments to subcontractors and improved monitoring and tracking of subcontracting plans.
- In FY'2007, WSSC enrolled **218** new SLBE firms into its Small Local Business Enterprise Program, which exceeds FY'2006 (**143** new SLBE firms) by 75 new firms.
- In FY'2007, WSSC enrolled **101** new MBE firms into its voluntary MBE Program which is less than enrollment in FY'2006 (283 New MBE firms) by **182**.
- In FY'2007, WSSC awarded **33** contracts, totaling **\$5.2M** to first-time SLMBE vendors with the WSSC.
- In FY'2007, WSSC payments to SLBE firms totaled **\$2.4M** which is less than FY'2006 (SLBE payments **\$6.5M**) by **\$4.1M**.

INTERNAL EFFORTS

The WSSC's mandatory MBE Program "sun set" became effective on June 30, 2006. Due to this "sun set" the program shifted from a mandatory MBE Program to a voluntary MBE Program. The SLBE Program remained mandatory. Nevertheless, WSSC's commitment to local SLMBE firms was staunch, which is demonstrated by the data presented within this report.

WSSC's SLMBE Program stresses the importance of utilizing local SLMBE firms. As part of our continuous improvement process, we have identified and implemented a series of internal initiatives designed to strengthen relationships with SLMBE firms and to improve our contract payments to SLMBE firms. WSSC's SLMBE Office's main focus is to assist the Commission with providing the maximum practicable opportunities to SLMBE firms. The following describes the internal activities that have taken place:

- **Revived our mandatory MBE Program after the passage of enabling legislation.** The new enabling legislation was effective on June 1, 2007 and adopted by the Commission on June 23, 2007 which allowed WSSC to resume its MBE mandatory subcontracting program. Currently, we are working on enhancing our MBE program to do the following: improve our utilization of MBE firms both on a prime and subcontractor level; improve reporting/compliance process; provide opportunities for development and growth and graduation of MBE firms; and facilitate the growth of our expenditures with MBE firms (Note: This also applies to our SLBE firms.).
- **Enhanced Subcontracting Compliance.** WSSC's subcontracting compliance web-based tool, SymTrac™, will track all payments to all subcontractors and improve reporting, tracking and monitoring of subcontracting plans. Previously, the tool only captured payments to MBE subcontractors. More importantly, this web-based tool will assist WSSC in ensuring that our subcontractors are paid in a timely fashion. Other enhancements to the web-based tool allow users to generate ad hoc reports and receive timely communications. Due to these enhancements the Acquisition Office will not issue a "Notice-To-Proceed" until the subcontracting plan has been entered into SymTrac™ by the Prime vendor; therefore, all contracts with subcontracting requirements must be approved via SymTrac™. This web-based tool will also assist WSSC in tracking its overall payments and awards to certified MBEs and approved SLBEs.
- **Training and educating Commission Staff.** The Acquisition Office received formal training on the SymTrac™ application. Specifically, the Acquisition Office and some other key staff members received detailed instructions regarding the web-based compliance tracking tool, requirements, policy and procedures. In an effort to create more internal awareness about our Program and the progress of our Program, the SLMBE Office initiated quarterly meetings with key departments using contracts to provide an overview of the program and updates on key performance measures.
- **Establish business processes and procedures.** The SLMBE Office has documented a majority of the day-to-day business processes. The effort to document the business processes was embarked upon to improve and ensure that the core functions of the SLMBE Office are practiced consistently and to assist with transferring knowledge.

- **Continued involvement in the procurement process.** Currently, the SLMBE Director or designee is an active participant on all contract review committees. As a part of our procurement practice, all contracts over \$25K are forwarded to the SLMBE Office for review and subcontracting requirements. The SLMBE and Acquisition Office work “hand-in-hand” to ensure that WSSC maintains a fair and inclusive contracting process and creates opportunities for local businesses. Our Contracting personnel meet regularly to review opportunities for suppliers. In addition, the Commission tracks purchase orders to ensure SLMBE firms are given fair and equal access to bid and/or win contracts. Our contracting personnel attend and support our SLMBE outreach both internally and externally to identify potential SLMBE firms.
- **Dual Reporting.** The SLMBE Director reports to both the members of the Commission and the General Manager.
- **Leadership.** The success of the Commission’s SLMBE Program comes from the overwhelming support of our Commissioners and Leadership Team who championed the incorporation of the SLMBE Program into our organization’s core strategies. Organizational annual targets are tied to our Program. Our General Manager champions the goals of the SLMBE Program and ensures that our Leadership Team does the same.
- **Acquisition Strategy Committee.** Reporting directly to our General Manager is the Acquisition Strategy Committee, representing each of the key contracting areas of the Commission. The SLMBE Office remains an active participant on this Committee. One of the key responsibilities of this Committee is to continually review existing contracts over \$25K and new projects/contracts to find potential opportunities for SLMBE firms. These Committee meetings occur monthly.

PERFORMANCE MEASURES, DATA & GRAPHS

WSSC's contract payments in FY'2007 totaled **\$167,965,312** and contract awards totaled **\$277,857,785**. In FY'2007, WSSC payments to MBE firms totaled **\$38.9M**, this represents **23%** of all WSSC contract payments, and is **\$6.8M** less than MBE payments in FY'2006 (see Figure 1 and 1-A).

In FY'2007, WSSC awards to MBE firms totaled **\$72.8M** or **26.2%** (see Figure 2). In addition, WSSC exceeded its FY'2006 MBE awards (**\$53.5M**) by **\$19.3M**. Awards to MBE firms totaled **\$72.8M**, which represents **26.2%** of all contracts awarded.

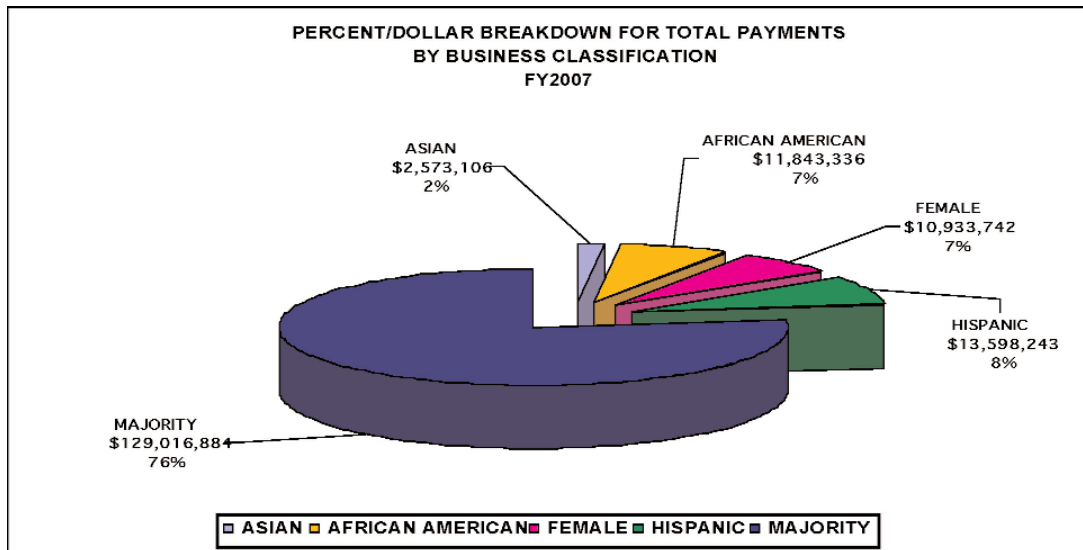
Recognizing that the true measure of a successful MBE Program requires focus on MBE payments and not just MBE awards, WSSC leading the way in capturing and reporting MBE payments in its local area.

FIGURE 1.
SUMMARY OF TOTAL CONTRACT PAYMENTS FOR FY'2007

Contracting Area	Goal*	M/WBE % Results	MBE\$	WBE\$	Majority \$	Totals
Goods and Services	28%	24%	\$10,612,498	\$ 7,484,613	\$ 55,946,399	\$ 74,043,510
Professional Services	20%	30%	\$ 958,799	\$ 2,570,991	\$ 8,207,576	\$ 11,737,366
A/E Services	24%	25%	\$ 4,144,345	\$ 497,271	\$ 13,643,722	\$ 18,285,338
Construction	20%	20%	\$12,299,044	\$ 380,867	\$ 51,219,187	\$ 63,899,098
Totals	°	°	\$28,014,686	\$10,933,742	\$129,016,884	\$167,965,312

**Note: MBE goals were voluntary in FY'2007*

FIGURE 1-A. FY'2007—SUMMARY OF TOTAL CONTRACT PAYMENTS BY BUSINESS CLASSIFICATION



Note: The Commission does not double count payments or awards. Payments and/or awards identified as female or WBE are associated with non-minority female/woman-owned businesses. Minority female/woman-owned businesses are captured in the MBE totals only.

FIGURE 1-B. SUMMARY OF FY'2006 PAYMENTS TO MBE FIRMS

Summary
Fiscal Year 2006 Payments to MBE Firms

Firm Type	Goal*	MBE% Results**	MBE \$**	Other \$
Goods and Services	28%	32%	\$ 23,611,939	\$ 50,835,746
Professional Services	20%	15%	\$ 1,121,118	\$ 6,221,755
A/E Services	24%	29%	\$ 3,650,061	\$ 9,085,044
Construction (Voluntary)	20%	26%	\$ 17,297,091	\$ 49,948,876
Totals	NA	28%	\$ 45,680,209	\$ 116,091,421

* % Goal = MBE +WBE

** MBE includes Certified MBE and WBE firms

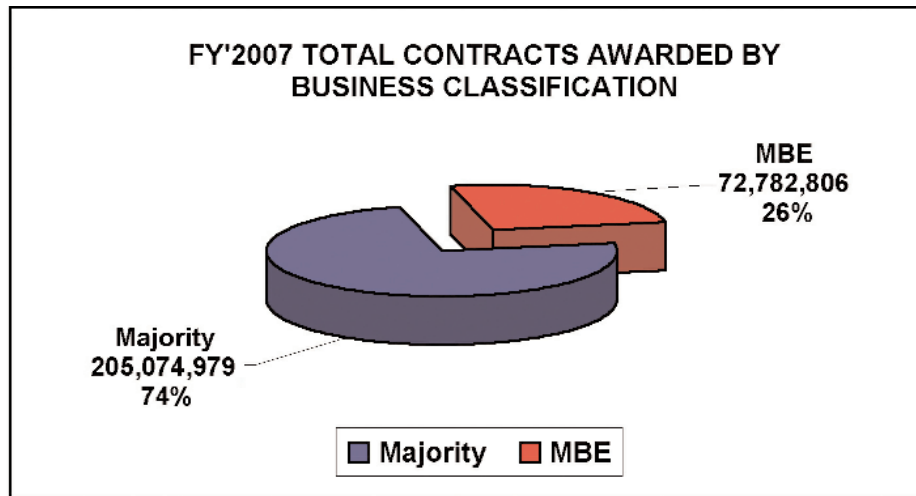
Note: The Commission does not double count payments or awards. Payments and/or awards identified as female or WBE are associated with non-minority female/woman-owned businesses. Minority female/woman-owned businesses are captured in the MBE totals only.

**FIGURE 2.
SUMMARY OF TOTAL CONTRACT AWARDS FOR FY'2007**

**Summary
Fiscal Year Award Dollars**

Contracting Area	MBE%	Majority (\$)	MBE* (\$)	Total (\$)
Architecture & Engineering	38.38%	15,191,106	9,460,543	24,651,649
Construction	19.94%	114,070,570	28,409,439	142,480,009
Goods & Services	31.83%	72,710,923	33,955,029	106,665,952
Professional Services	23.59%	3,102,380	957,795	4,060,175
Totals	26.19%	205,074,979	72,782,806	277,857,785

*MBE refers to both certified minority and women-owned business enterprises. *Note: The Commission does not double count payments or awards. Payments and/or awards identified as female or WBE are associated with non-minority female/woman-owned businesses. Minority female/woman-owned businesses are captured in the MBE totals only.*



*MBE refers to both certified minority and women-owned business enterprises. *Note: The Commission does not double count payments or awards. Payments and/or awards identified as female or WBE are associated with non-minority female/woman-owned businesses. Minority female/woman-owned businesses are captured in the MBE totals only.*

FIGURE 3. WSSC'S CONTRACT PAYMENTS FOR FY'2007

FIGURE 3-A. FY'2007 TOTAL CONTRACT PAYMENTS (\$38.9M) TO MBEs BY MBE CLASSIFICATION

Out of the Commission's \$38.9M contract payments to MBE firms in FY'2007, \$11.8M (30%) went to African American-owned firms; \$13.6M (35%) went to Hispanic-owned firms; \$10.9M (28%) went to Women-owned (Female) firms and \$2.6M (7%) went to Asian-owned firms.

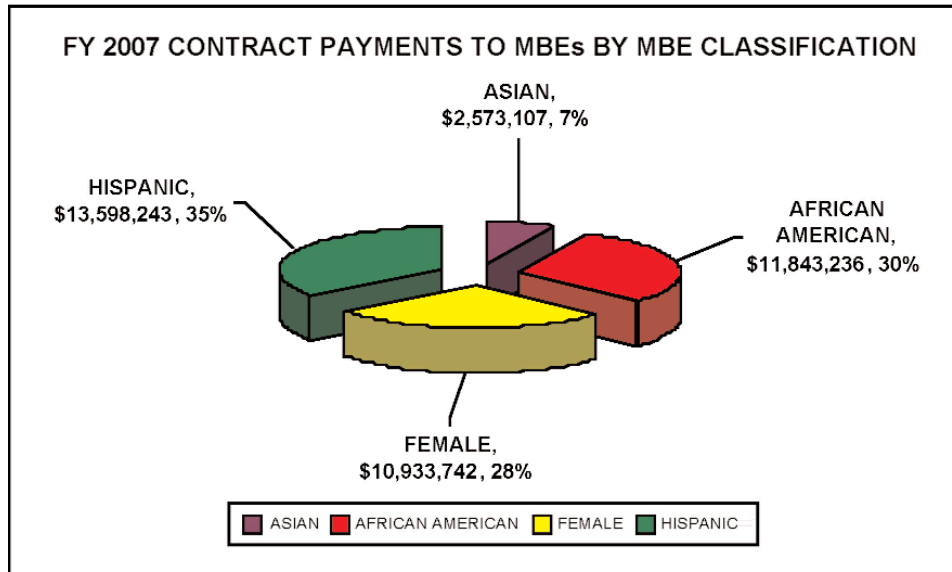


FIGURE 3-B. FY'2007 CONTRACT PAYMENTS TO MBEs BY LOCATION

Of the \$38.9M contract payments to MBE firms in FY'2007, \$5.2M (13%) went to MBE firms located in Montgomery County and \$15.5M (41%) went to MBE firms located in Prince George's County.

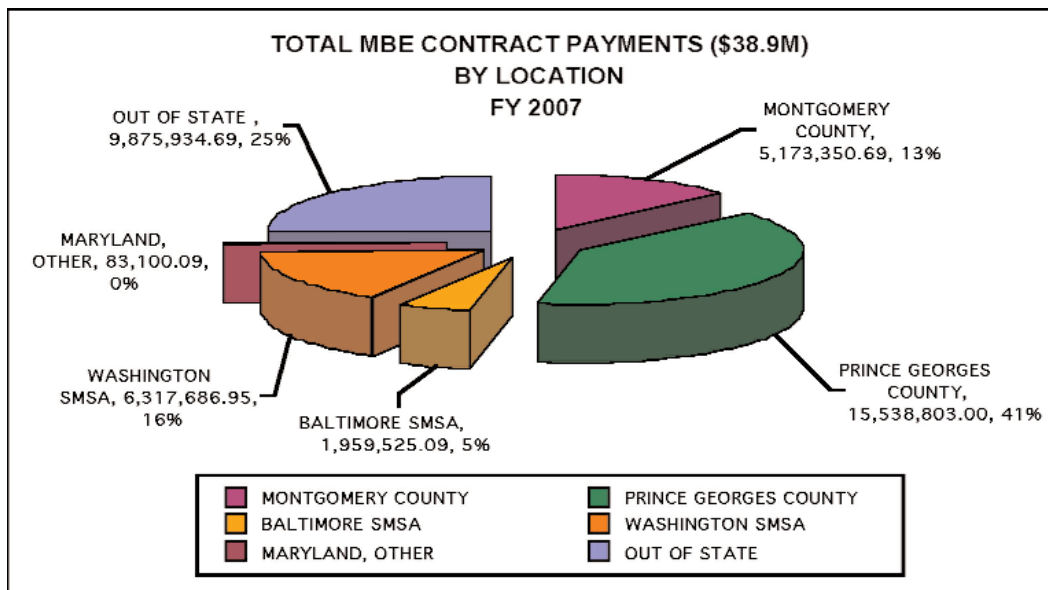


FIGURE 4. FY'2007 CONTRACT PAYMENTS TO MBEs BY CONTRACTING AREA

FIGURE 4-A. GOODS AND SERVICES CONTRACT PAYMENTS (\$74M)

In FY'2007, Goods and Services' contract payments totaled \$74M. Of that, \$74M, \$10.6M (14%) went to MBE firms and \$7.5M (10%) went to WBE firms.

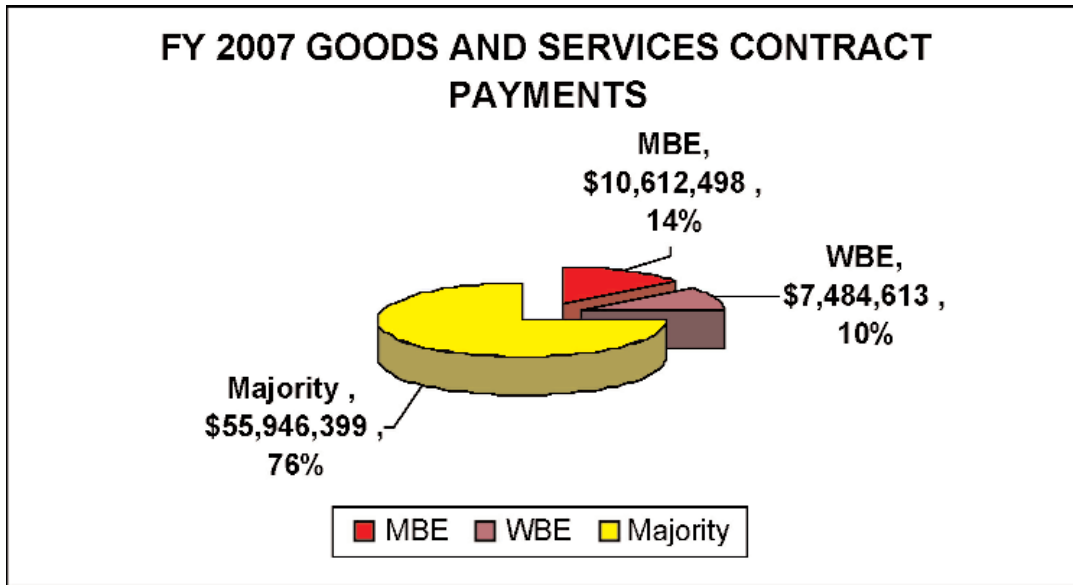


FIGURE 4-B. PROFESSIONAL SERVICES CONTRACT PAYMENTS (\$11.7M)

In FY'2007, Professional Service's contract payments totaled \$11.7M. Of that, \$11.7M, \$958.8K (8%) went to MBE firms and \$2.6M (22%) went to WBE firms.

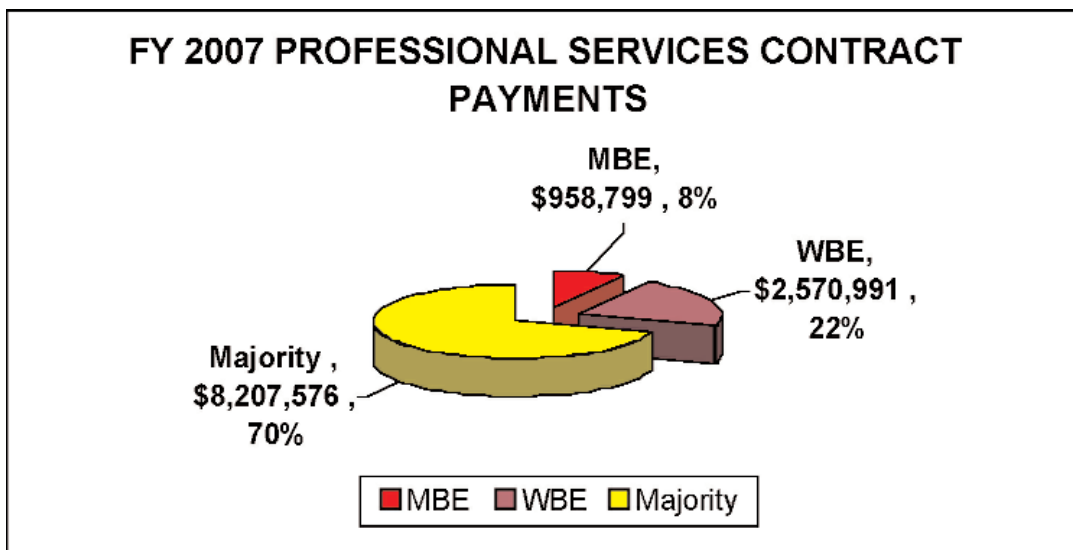


FIGURE 4-C. ARCHITECTURAL AND ENGINEERING SERVICES CONTRACT PAYMENTS (\$18.3M)

In FY'2007, Architectural and Engineering's contract payments totaled \$18.3M. Of that, \$18.3M, \$4.1M (23%) went to MBE firms and \$497K (3%) went to WBE firms.

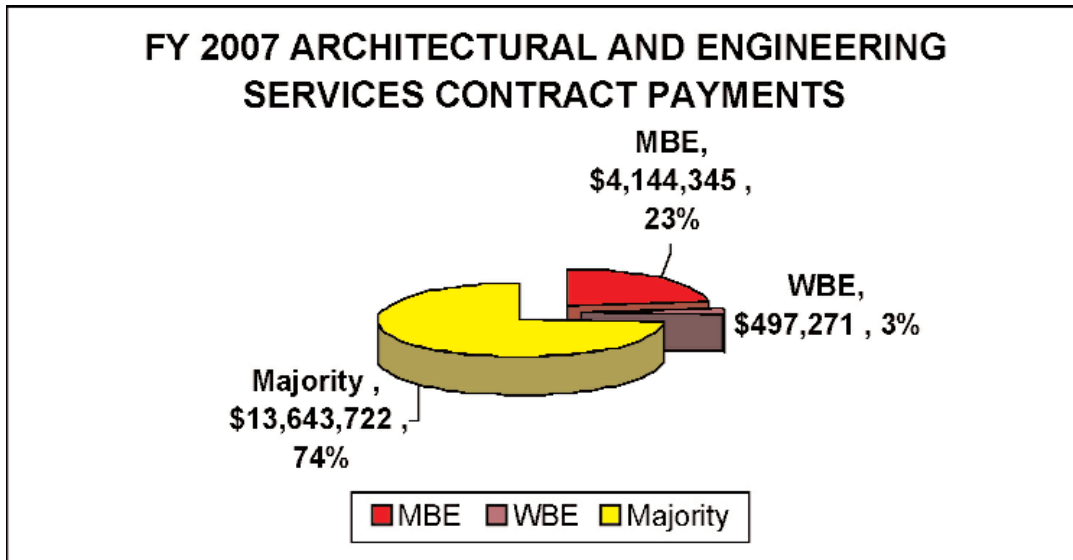


FIGURE 4-D. CONSTRUCTION CONTRACT PAYMENTS (\$63.9M)

In FY'2007, Construction's contract payments totaled \$63.9M. Of that, \$63.9M, \$12.3M (19%) went to MBE firms and \$380.9K (1%) went to WBE firms.

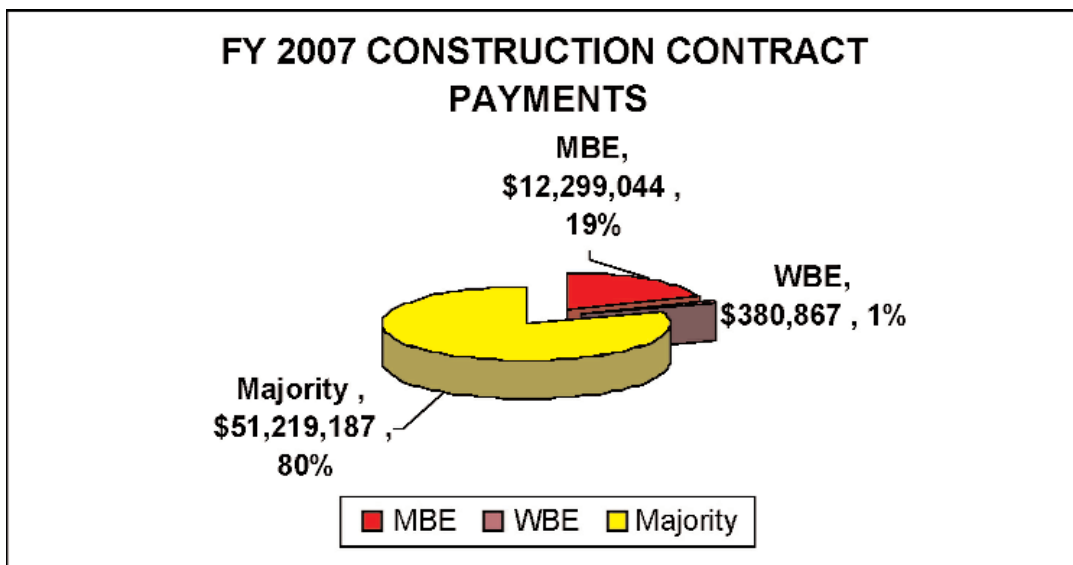


FIGURE 5. WSSC'S CONTRACT AWARDS FOR FY'2007

FIGURE 5-A. FY'2007 CONTRACT AWARDS TO MBEs BY CONTRACT CLASSIFICATION OF PRIME OR SUBCONTRACTOR (\$72.8M)

In FY'2007, the contracts awarded totaled \$72.8M to MBEs. Of that, \$40.8M (56%) was awarded to prime MBE firms and \$32M (44%) was awarded to MBE subcontractors.

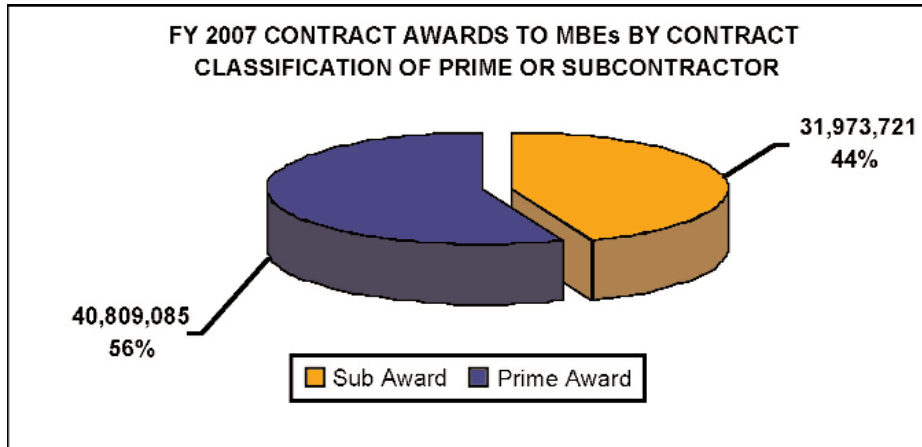


FIGURE 6. FY'2007 CONTRACT AWARDS TO MBEs BY CONTRACTING AREA (PRIME AND SUBCONTRACTOR COMPARISON, \$72.8M)

FIGURE 6-A. ARCHITECTURE AND ENGINEERING (\$9.4M)

In FY'2007, the contracts awarded to Architecture and Engineering MBE firms totaled \$9.4M. Of that, \$9.4M, \$1.2M (12%) was awarded to prime Architecture and Engineering MBE firms and \$8.3M (88%) was awarded to MBE Architecture and Engineering subcontractors.

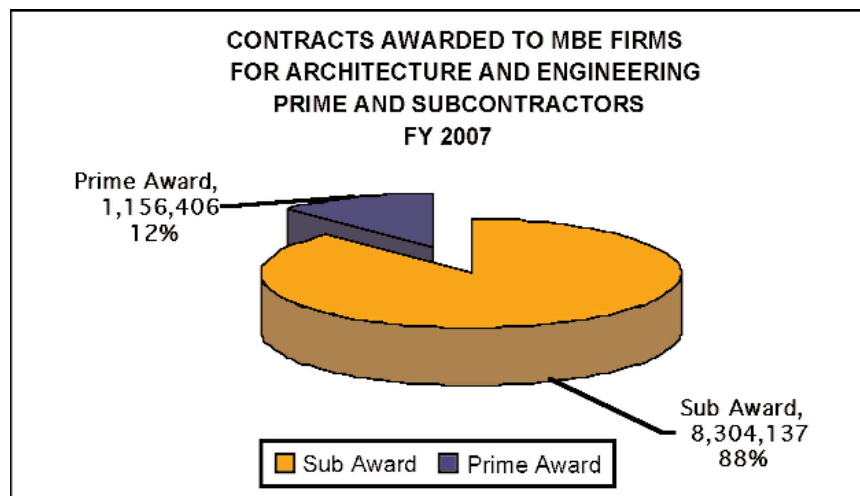


FIGURE 6-B. CONSTRUCTION (\$28.4M)

In FY'2007, the contracts awarded to Construction MBE firms totaled **\$28.4M**. Of that, **\$6.3M (22%)** was awarded to prime Construction MBE firms and **\$22.1M (78%)** was awarded to MBE Construction subcontractors.

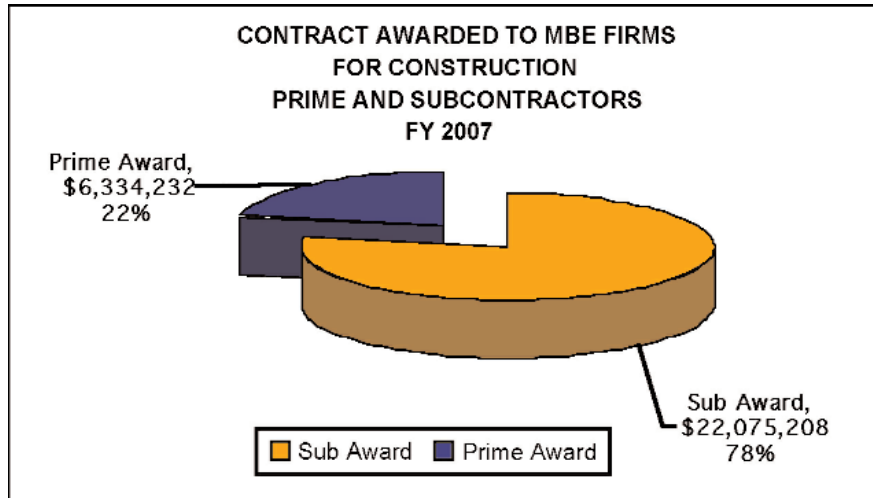


FIGURE 6-C. GOODS AND SERVICES (\$34M)

In FY'2007, the contracts awarded to Goods and Services MBE firms totaled **\$34M**. Of that, **\$32.4M (95%)** was awarded to prime Goods and Services MBE firms and **\$1.6M (5%)** was awarded to MBE Goods and Services subcontractors.

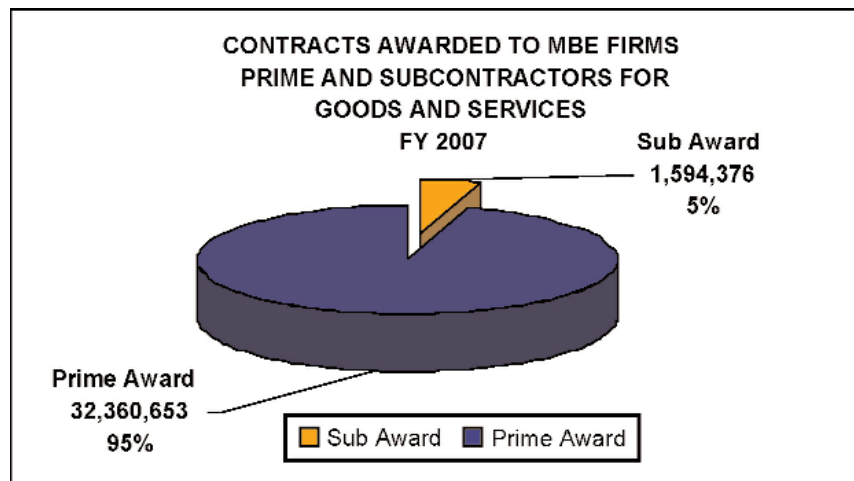


FIGURE 6-D. PROFESSIONAL SERVICES (\$958K)

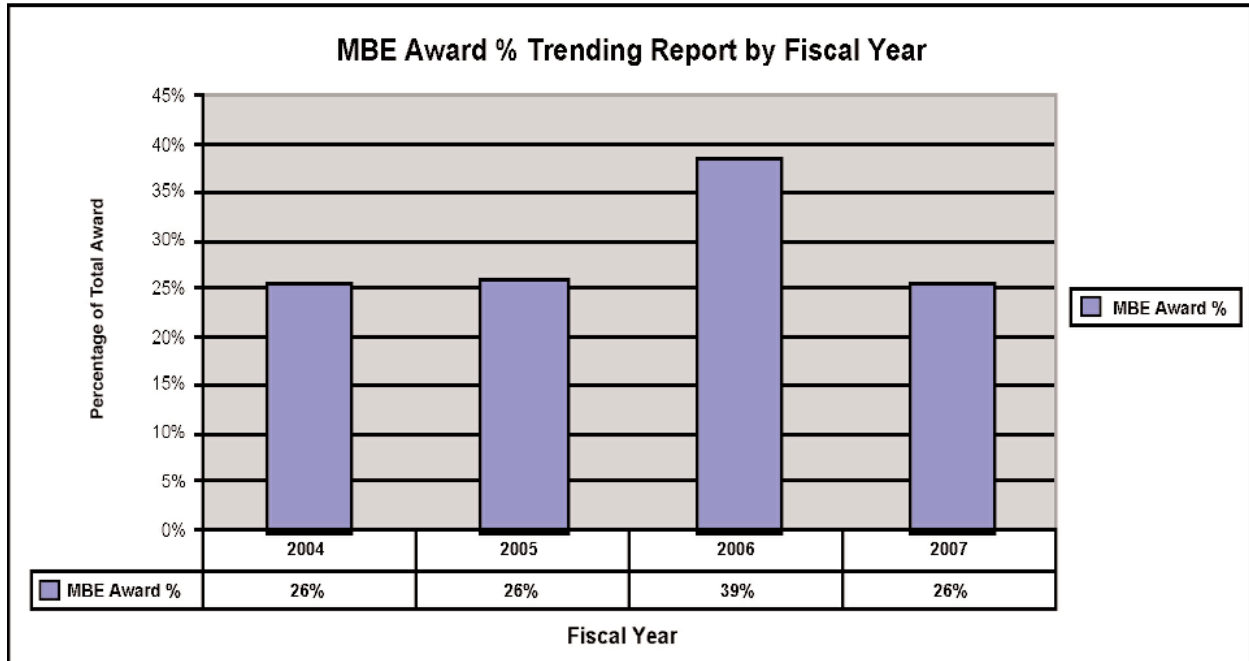
In FY'2007, the contracts awarded to Professional Services MBE firms totaled **\$958K**. Of that **\$958K**, **100%** was awarded to prime Professional Services MBE firms and **\$0 (0%)** was awarded to MBE Professional Services subcontractors.



FIGURE 7. WSSC'S CONTRACT AWARDS FOUR-YEAR FISCAL TRENDING REPORT

FIGURE 7-A. FISCAL YEAR FOUR-YEAR TRENDING

The trending data reveals that the Commission typically awards **26%** of its total contract awards to MBEs. However, in FY'2006, **39%** was awarded to MBEs. Although, FY'2006 percentage was higher than the other years shown, the contract dollars awarded were highest in FY'2007 (See table below).



SUMMARY REPORT FISCAL YEAR TRENDING REPORT

Fiscal Year	MBE Award	MBE Award %	Majority Award	Total Award
2004	\$ 27,100,151.00	26%	\$ 77,487,504	\$ 104,587,655
2005	\$ 37,640,676.00	26%	\$ 106,500,645	\$ 144,141,321
2006	\$ 53,524,242.00	39%	\$ 84,814,731	\$ 138,338,973
2007	\$ 72,782,805.61	26%	\$ 205,074,979	\$ 277,857,785

FIGURE 8. SUMMARY REPORT FISCAL YEAR TRENDING REPORT

FIGURE 8-A. CONTRACTING AREAS MBE AWARD FISCAL YEAR TRENDING REPORT

The chart below provides MBE contract award percentage trending data by contracting area. Construction (In FY'2007 up by 1% in comparison to FY'2006) and A/E (In FY'2007 up by 5% in comparison to FY'2006) have experienced a steady growth of MBE contract award percentage over the past four years. In FY'2007, Goods and Services and Professional Services MBE award percentages are down in comparison with FY'2006.

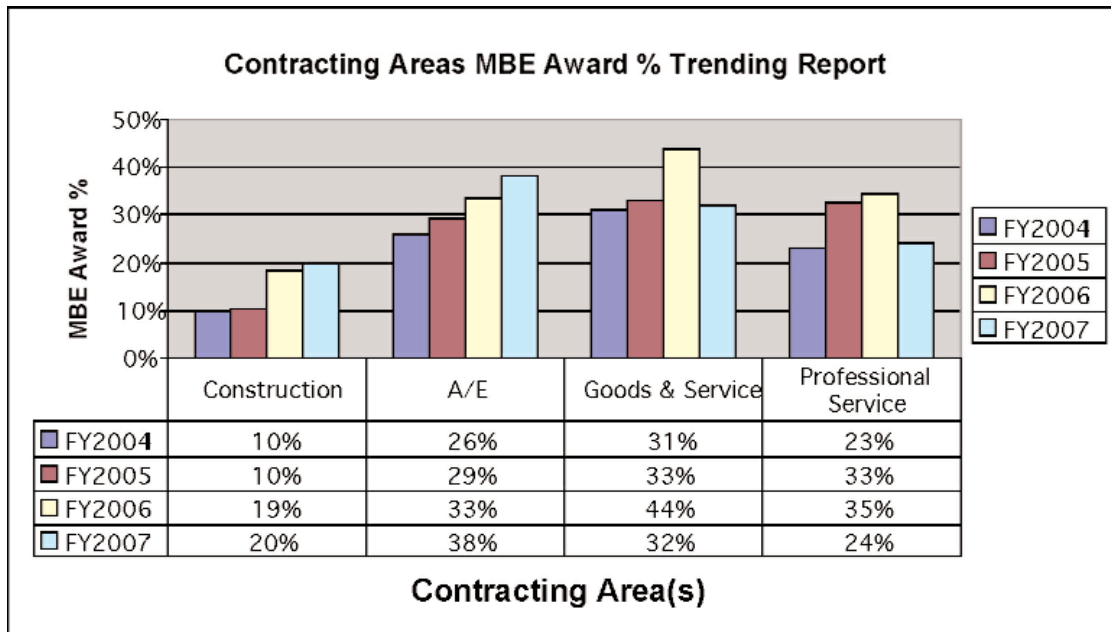


FIGURE 9. TOTAL NUMBER OF CONTRACTS AWARDED IN FY'2007

In FY'2007, WSSC awarded **3,375** contracts, of which **12% (398)** were awarded to MBEs and **1% (47)** were awarded to SLBEs.

TOTAL CONTRACTS AWARDED		
BUSINESS TYPE	NUMBER	% OF AWARDS
MBE	398	12%
SLBE	47	1%
MAJORITY	2930	87%
TOTAL AWARDS	3375	100%

FIGURE 9-A. TOTAL NUMBER OF CONTRACTS AWARDED IN FY'2007

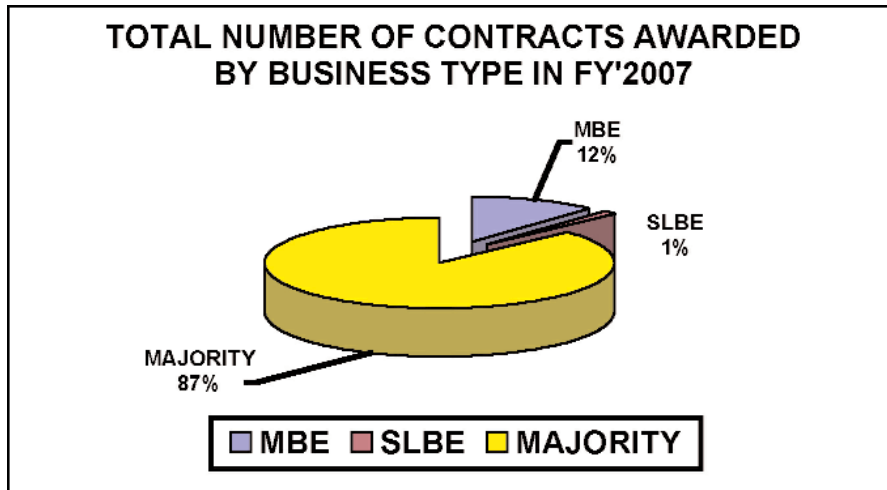


FIGURE 10. SMALL LOCAL BUSINESS ENTERPRISE (“SLBE”) DATA

The SLBE Program is intended to provide an additional race and gender neutral vehicle for the Commission to use in its efforts to ensure that all segments of its local business community have a reasonable and significant opportunity to participate in WSSC contracts. The SLBE Program also furthers the Commission’s public interest to foster effective broad-based competition from all segments of the vendor community, including minority business enterprises, small business enterprises, and local business enterprises. In addition, the SLBE Program provides additional avenues for the development of new capacity and new sources of competition for WSSC contracts from the growing pool of small and locally based businesses.

In FY’2007, WSSC’s payments to SLBEs totaled **\$2,386,946** (See table below). The dollars associated with the SLBE Program are strictly SLBE payments. The Commission does not double count awards or payments.

Summary FY’2007 Payments to SLBE Firms

Contracting Area	Totals
Goods and Services	\$ 808,332
Professional Services	\$ 41,613
A/E Services	\$ —
Construction	\$ 1,537,001
Totals	\$ 2,386,946.00

FIGURE 11. SLBE CONTRACTS AWARDED BY COUNTY

In FY’2007, the Commission awarded a total of **47** contracts to SLBE firms. Of that, **12** SLBE firms were located in Montgomery County and **15** SLBE firms were located in Prince George’s County.

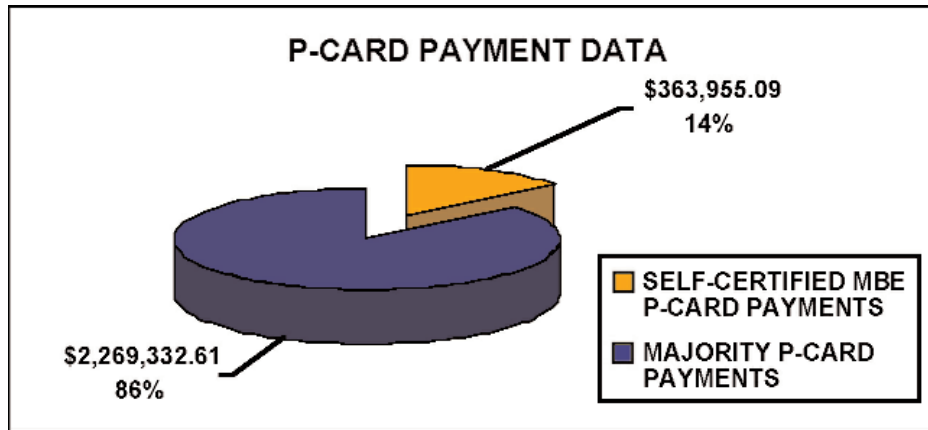
SLBE CONTRACTS AWARDED	
COUNTY	CONTRACTS AWARDED
MONTGOMERY	12
PRINCE GEORGE'S	15
NON-LOCAL*	20
TOTAL	47

*Firms located outside Montgomery or Prince George's Counties may participate in the SLBE Program if at least twenty-five percent of its workforce is domiciled in one or both counties.

FIGURE 12. FISCAL YEAR 2007 PROCUREMENT CARD (“P-CARD”) PURCHASES

P-Cards are utilized for purchases under \$5,000. Currently, we do not include P-Card expenditures in our MBE payment data. However, we are exploring ways to enhance our ability to capture and track MBE payments via the P-Card and encourage MBE purchases via P-Card.

According to the best available data, in FY'2007 WSSC's MBE P-Card performance was **\$363,955** or **14%** of all P-Card purchases were with MBE firms. It is important to note that MBE payments depicted in the chart and table below are with self-certifying MBEs. WSSC does not recognize self-certified MBEs, therefore; this data has been excluded from our MBE payments data.



SELF-CERTIFIED MBE P-CARD PAYMENTS	\$ 363,955.09
MAJORITY P-CARD PAYMENTS	\$ 2,269,333.00
TOTAL P-CARD PAYMENTS	\$ 2,633,288.09

OUTREACH EFFORTS

WSSC is committed to providing MBEs with the maximum practicable opportunities to participate in the performance of contracts awarded by WSSC including the following external outreach efforts:

- *Maintain SLMBE Web Site.* The SLMBE web site provides a wealth of information to our vendors and is accessible from the Commission's web site at www.wsscwater.com. Our web site provides vendors with information about WSSC's SLMBE Program and contracting opportunities. Additionally, vendors can obtain contact information for the SLMBE Office, learn about upcoming bid opportunities, access our compliance tracking system, review our governing policy, review procedures and the disparity study, retrieve applications and forms related to our program, link to other resource agencies, and review a list of our Outreach events and activities.
- *Active involvement with Supplier Diversity Organizations.* The SLMBE Office is an active member of supplier diversity-focused organizations locally and nationally. These organizations include: Maryland/District of Columbia Minority Business Development Council, Maryland Hispanic Chamber of Commerce, Prince George's Chamber of Commerce, and Maryland-Washington Minority Contractor Associations.
- *Continue External Outreach.* In FY'2007, the Commissioners, General Manager, SLMBE Office and WSSC staff met with MBE agencies, organizations, and companies or individuals and participated in trade shows, opportunity fairs, roundtable and one-on-one meetings. This active engagement positively impacts WSSC's certified-MBE database and approved SLBE list, which will increase business participation and enhance staff/MBE relationships through the awarding of purchase orders and long-term contract commitments.

The following list of community outreach activities is by no means exhaustive; however, it offers a representative look at the types of meetings and other events sponsored, chaired, or attended by WSSC representatives during FY'2007 to further our goal of promoting our MBE Program:



SPECIAL RECOGNITION

- **April 19, 2007**—The Maryland Chamber of Commerce honored Towanda Livingston, Director of the Small, Local and Minority Business Enterprise Office of WSSC with a plaque in appreciation for the SLMBE Office's support of the Chamber's 20th Anniversary Gala. The event was held at Martin's Crosswinds, Greenbelt, Maryland.

EXTERNAL OUTREACH EVENTS

- **July 19, 2006**—The SLMBE Office exhibited at the 2006 Asian American Business Conference. The theme was “Making Business Connections in the 21st Century Global Economy”. The Conference was held at the University of Maryland at Shady Grove in Rockville, Maryland.
- **August 29, 2006 to September 1, 2006**—The SLMBE Office exhibited at the National Minority Enterprise Development Conference (MedWeek). The event was held at the Omni Shoreham Hotel in Washington, DC. The SLMBE Office registered five new vendors from this event into the SLBE Program.
- **September 6, 2006**—The SLMBE Office exhibited at the Congressional Black Caucus Minority Business Exchange. The event was held at the Washington Convention Center in Washington, DC. The SLMBE Office registered two vendors from this event.
- **October 19, 2006**—The SLMBE Office exhibited at the Montgomery County “Women in Business” Expo held at the Bethesda Marriott in Bethesda, Maryland. Approximately **15** applications were given to prospective vendors.
- **October 25, 2006**—The SLMBE Office exhibited and participated in a panel discussion at the Maryland Hispanic Chamber of Commerce’s Annual Procurement Conference held at the Columbia Hilton Hotel in Columbia, Maryland. Approximately **30** applications were given to prospective vendors and four have registered into the SLBE Program.
- **October 27, 2006**—SLMBE Staff attended the Baltimore/Washington Corridor Chamber of Commerce Procurement Fair held at the Greenbelt Marriott in Greenbelt, Maryland. Flyers were distributed concerning the SLBE Contracting Conference.
- **November 17, 2006**—SLMBE Staff attended the Maryland/District of Columbia Minority Supplier Development Council’s Annual Awards Dinner. The event was held at the JW Marriott Hotel in Washington, DC.
- **January 30, 2007**—The SLMBE Office exhibited at the Prince George’s County “3rd Annual Small and Minority Business Expo” held at the Marriott Inn/Conference Center on the University of Maryland’s campus. Approximately **200** vendors attended the Conference and the SLMBE Office registered six new vendors from the Conference.
- **March 26, 2007**—The SLMBE Office exhibited at the Honorable Albert Wynn’s 13th Annual Congressional Small Business Expo. The event was held at the University of Maryland at Shady Grove Campus in Rockville, Maryland. The SLMBE Office distributed approximately **40** SLBE applications and registered four vendors from Montgomery County.
- **April 19, 2007**—The Office of Small Disadvantaged Business Utilization (OSDBU) hosted its 17th Annual Procurement Fair. The SLMBE Office exhibited with numerous Federal and State governmental agencies. The fair was held at Show Place Arena in Upper Marlboro, Maryland. Several SLBE applications were distributed.

- **April 24, 2007**—The SLMBE Office exhibited at Congresswoman Eleanor Holmes Norton’s Business and Procurement Expo. The theme was “Access to Capital” and was held at the Washington, DC Convention Center. The SLMBE Office spoke on a panel and shared information with minority vendors about WSSC’s contracting opportunities.
- **June 8, 2007**—The Washington Suburban Sanitary Commission’s Executive Leadership Staff and the SLMBE Office attended the Maryland Washington Minority Contractor’s Association (MWMCA) Annual Spring Membership Breakfast at the Forum Catering Headquarters in Baltimore, Maryland. The theme of this year’s breakfast was “One Maryland for Minority Business Enterprise” featuring the Honorable Governor Martin O’Malley.
- **June 14, 2007**—The General Manager and Commissioners attended the Greater Washington Ibero American Chamber of Commerce 31st Annual Gala. The theme was “*Embracing Change and Shaping the Future.*” The event was held at the Mayflower Hotel in Washington, DC.

EXTERNAL EDUCATIONAL OUTREACH EFFORTS

- **April 27, 2007**—The SLMBE Office participated in “Career Day” at Barnaby Manor Elementary School in Oxon Hill, Maryland. This was a community outreach effort in which the SLMBE Office provided insight and exposure to the vast varieties of opportunities and careers that will be open to students when they have dreams, goals, a plan of action, and education.
- **May 14–17, 2007**—Two members of the SLMBE Office were awarded certificates for completing a course in Project Management from the United States Department of Agriculture Graduate School of Continuing Education. This course was beneficial to the attendees because it prepares them for planning and organizing outreach activities for the SLMBE Office.
- **May 22, 2007**—The SLMBE Office participated in its second “Career Day” at Ernest Everett Just Middle School in Mitchellville, Maryland. This community outreach effort focused on encouraging students to pursue educational endeavors beyond high school and educating them on how water is treated and processed at our wastewater treatment facilities.

HOSTED OUTREACH EVENTS

- **November 30, 2006—WSSC’s SLMBE Contracting Conference: “Our Doors are Open for Business.”** This was the first event for Small Local Business Enterprises (SLBE) located in Montgomery and Prince George’s County to go one-on-one with Washington Suburban Sanitary Commission employees who are in positions to make decisions about contracts. The person-to-person matchmaking event was held on November 30, 2006 at the WSSC Headquarters in Laurel, Maryland. More than **200** vendors attended and each had an opportunity to talk with Contracting Officers or representatives from the Architecture and Engineering Team, Acquisition Office, Information Technology Team and Professional Services. The Strategic System Management Office (SSMO) was successful in identifying three firms to assist with Strategic Management Systems implementation. All three firms were awarded small dollar contracts for **\$5,000** each to perform Strategic Management System needs. The three winning firms were: Business Promotions Consultants (BPC), Business Management Associates (BMA), and Valens Associates. BMA and Valens are approved SLBEs. There were two workshops: “Business Development” and “Marketing and Understanding WSSC’s Bidding Documents.”
- **March 12, 2007—The SLMBE Office hosted a workshop for SLBEs on the “Bi-County Tunnel Project.”** This event was designed to educate the vendors on Phase I of the project (Construction Management) and to introduce the SLBEs to the Prime Contractor, Black/Veatch. There were also one-on-one matchmaking sessions for SLBEs to present their capabilities to three prospective project managers: Hatch Mott McDonald, Jacobs and Associates, and Jacobs Engineering. The outreach efforts by the SLMBE Office were evident by the over **130** attendees that registered and were interviewed by the Majority Engineering firms seeking to be awarded the **\$9M** project. The result was that a **15%** commitment was made by the Prime Contractor and three firms were awarded contracts: Elite Hauling, Tech International, and Advanced Engineering.
- **March 20, 2007—WSSC’s SLMBE Office hosted a “Meet and Greet” to introduce its new SLMBE Director.** The SLMBE Office presented a workshop for key stakeholders to meet their new SLMBE Director, Mrs. Towanda Livingston. Mrs. Livingston’s first day was November 13th, and she told the crowd, “I must say it is an honor and a pleasure to be affiliated with an organization that is as passionate and dedicated to making a difference as I am. I have only been here for a short time, but it is clear to me and the SLMBE Team that we have to build a solid foundation for a “world-class” SLMBE program that is second to none. Our goal is to drive processes and procedures that will ensure the inclusion of SLMBEs in our contracting process and facilitate the means for SLMBEs to build sustainable relationships with the WSSC.”

- **April 25, 2007—The SLMBE Office hosted a MBE Roundtable Meeting.** The SLMBE Office presented a forum for the minority business community to discuss their concerns about House Bill 691 (WSSC's MBE Program reinstates WSSC Mandatory MBE Program) and House Bill 692 (WSSC's SLBE Program-adjust eligible criteria of SLBE Program). Both bills are the vehicles that ensure that small, local and minority businesses have fair and equal access to contracting opportunities with the WSSC. The SLMBE Office noted their questions and comments and scheduled a follow-up meeting with the WSSC Executive Leadership Committee.
- **May 8, 2007—SLMBE Office hosted a follow-up meeting with the MBE Community.** This meeting was held at the RGH Building to have minority civic leaders and businesses address their comments to the pending legislation to WSSC's Leadership team regarding the MBE legislation. The General Manager, Director of Acquisitions, Chief of Engineering/Construction, and the SLMBE Director answered questions about the MBE pending legislation and implementation of the new MBE Program.

SLMBE ROAD AHEAD

The WSSC's SLMBE Program will continue to strive to be a "world-class" program. The Commission is laying the necessary foundation to foster an inclusive contracting culture by providing resources internally and externally to support this focus. Since the re-instatement of our MBE Program, WSSC has been working diligently to implement and institutionalize a MBE Program that will withstand the test of time and changing political climates and that will run in tandem with our SLBE Program. It is our mission to ensure that we have a vendor base that is reflective of the community we serve and to support the socioeconomics of the community in which we reside.

Therefore, "the road ahead" for the Commission is to focus on the following:

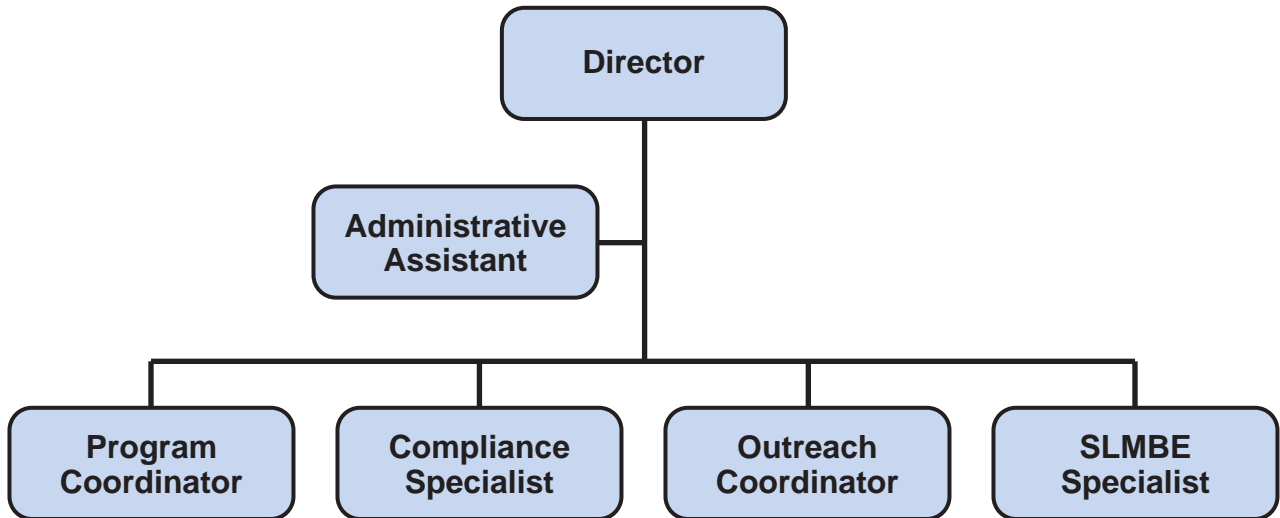
- Implementing a Centralized Bidder Registration ("CBR") application to facilitate the registration and solicitation of vendors in WSSC's marketplace. In addition the CBR will assist WSSC in analyzing the utilization of SLMBE firms in the Commission's contracting processes.
- Modifying our Architecture and Engineering firm selection criteria to allow for additional points for first-time MBE firms bidding as a prime on a WSSC-funded contract. This will promote more prime bids from experienced MBE subcontractors; and facilitate the transition of MBE subcontractors to prime contractors.
- Providing bid debriefings, at the firm's request, for solicitations. This will take the mystery out of our bid scoring and provides guidance to firms about how to compete better on the next bid. The effort also promotes defensible and consistent scoring by staff and careful consideration of scoring justification.
- Enhancing and enforcing our "Commercial Non-discrimination Policy," to ensure that WSSC is not engaging in business with firms that discriminate on the basis of race, gender, etc. in the solicitation, selection, or treatment of vendors, contractors, suppliers, subcontractors, or commercial customers.
- Increasing the staffing of the SLMBE Office to support our vision;
- Strengthening our communication and outreach.
- Increasing the pool of vendors in our certified MBE and approved SLBE database;
- Increasing the number of SLMBE vendors doing business on WSSC-funded contracts;
- Developing policies and procedures that will support our focus on both subcontracting compliance and field compliance.
- Seeking out new and innovative technology that will assist us with our endeavors; and
- Developing and training our SLMBE vendors.

In FY'2008 our annual Commission-wide MBE payment objective is 25% of our total contract payments; this objective has been tied to the performance evaluation of our Staff and Leadership team. It is our hope that by focusing on these efforts we will continue to build a sustainable SLMBE vendor database that will assist us in providing our community with safe and reliable water and wastewater services.

SLMBE OFFICE ORGANIZATION CHART

WSSC has a staff of six people in its SLMBE Office. They are dedicated full-time to our SLMBE Program and are responsible for designing, executing, coordinating, implementing, monitoring and evaluating the Commission’s Program. The SLMBE Director reports to both the members of the Commission and the General Manager.

WSSC’S SLMBE OFFICE ORGANIZATIONAL CHART



Summary of Roles and Responsibilities

Director: The person responsible for the administration and oversight of the Small, Local and Minority Business Enterprise Program and Office.

Administrative Assistant: The person who assists the Director with managing the SLMBE Office.

Program Coordinator: The person responsible for ensuring the full coordination of the SLMBE Office resources and alignment of practices and procedures with the Commission’s contracting policies.

Compliance Specialist: The person responsible for ensuring and tracking compliance.

Outreach Coordinator: The person responsible for the planning and managing of targeted outreach efforts and managing community partners’ relationships.

SLMBE Specialist: The person responsible for managing relationships with our SLMBE firms and the SLBE database, assisting with targeted outreach to SLMBE firms and monitoring and auditing our SLBE Program certification process.

WSSC'S FY'2007 COMMISSIONERS



Prem P. Agarwal, *Chair*
Prince George's County



Stanley Botts, *Vice Chair*
Montgomery County



Sandra A. Allen
Montgomery County



Marc P. Lieber
Montgomery County



Juanita D. Miller
Prince George's County



Joyce Starks
Prince George's County