



Small, Local and Minority Business Enterprise Office

Legislative Report FY 2014

Diversity...just the way we do business!





WSSC's 5600-acre watershed, which protects millions of gallons of drinking water



Small, Local and Minority Business Enterprise Office

Legislative Report FY 2014: July 1, 2013–June 30, 2014

The Commissioners respectfully submit this report in accordance with §20-207 of the Public Utilities Article, Annotated Code of Maryland, 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:

- (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.

Diversity...just the way we do business!

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Letter from the General Manager/CEO

October 31, 2014

Greetings Community and Business Partners:



Just as we are entering a new fall season in our region, 2014 marks new beginnings for WSSC's Small, Local and Minority Business Enterprise (SLMBE) Program. The Legislative Report for Fiscal Year (FY) 2014 represents the efforts and accomplishments of a new era for the SLMBE Program.

Our commitment to supplier diversity starts at the top of our organization and is embedded in the way we do business every day. We build partnerships with minority and women-owned businesses, small and local firms and bring value to the people we serve through the Minority and Women Business Enterprise (M/WBE) Program and the Commission's own Small Local Business Enterprise (SLBE) Program. We work every day to provide outreach, internal education, and improvements in our business model to find and assist new SLMBE vendors.

In the midst of transformation, our SLMBE Program has remained strong, becoming more agile and managing significant accomplishments for FY 2014, including:

- Contract payments of \$99.9 million to M/WBEs – 20% of *total contract payments*;
- Awarded \$228.5 million in M/WBE contracts, an increase of \$42.3 million more than 2013;
- Awarded \$111 million in SLBE contracts with significant increases in SLBE payments in both Prince George's and Montgomery counties; and
- Approved over 80 new SLBE vendors in our WSSC Program.

In FY 2014, there was a significant increase in SLBE payments and awards in both Prince George's and Montgomery Counties.

We invite you to read this Report and learn more about this Program which is unlike any other in the region. We appreciate the support of the business communities in Prince George's and Montgomery counties, and throughout the region. We also appreciate the recognition we have received for our dedication to the small, local, minority and women business communities.

A stylized, handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

General Manager/CEO
Jerry N. Johnson



WSSC Brighton Dam Reservoir

About WSSC

We are WSSC, Where Water Matters! The life-sustaining water and wastewater services that we provide are critical for ensuring public health and make it possible for individuals, families and businesses to enjoy a good quality of life. For nearly 100 years, 24 hours a day, and seven days a week, we have served the people of Prince George's and Montgomery counties.

Our core mission is to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethical, sustainable, and financially responsible manner.

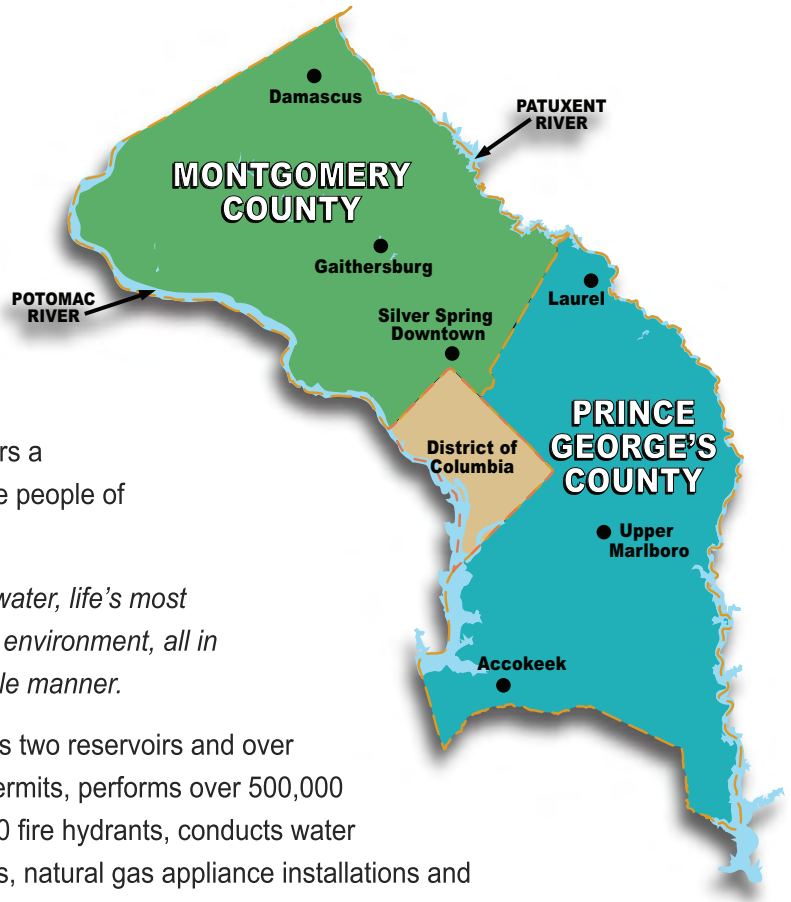
In order to achieve this mission, WSSC maintains two reservoirs and over 5,600 acres of watershed, issues construction permits, performs over 500,000 laboratory tests each year, maintains over 42,000 fire hydrants, conducts water meter testing, and inspects plumbing installations, natural gas appliance installations and food service establishments and much more. We strive for excellence in every one of the essential services we provide.

The Commission is governed by six Commissioners with equal representation from Montgomery and Prince George's counties. WSSC employees include meter readers, engineers, accountants, laboratory technicians and environmental scientists.

Supporting Diversity and Excellence at WSSC

Our budget for FY 2014 included \$698.8 million for operating expenses and \$742.2 million in capital expenditures, \$491.3 million in total contract payments, and 20% of those payments were to minority and women-owned businesses.

www.wsscwater.com



About WSSC SLMBE

Since 1978, the Washington Suburban Sanitary Commission (“Commission”) has demonstrated a strong commitment to minority and women-owned businesses by empowering WSSC’s Small, Local and Minority Business Enterprise (SLMBE) Office and by making diversity a part of how WSSC’s staff does business. In doing so, the Commission seeks highly skilled, diverse suppliers whose fresh perspectives and innovation help meet WSSC’s business challenges.

Mission Statement

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



SLMBE Strategy

The SLMBE Office administers WSSC’s MBE Program and its “signature” SLBE Program.

The Minority Business Enterprise (MBE) and Small Local Business Enterprise (SLBE) Programs are supported by dedicated resources, policies and procedures. These Programs help the Commission to achieve its SLMBE objectives by offering trusted and convenient services to both our internal and external stakeholders through **Supplier Advocacy, Compliance, Extensive Outreach, and Supplier Development.**

MBE + SLBE = SLMBE*

Diversity....just the way we do business!



**See Glossary of Terms for a full description of WSSC’s SLMBE designations*

Executive Summary

WSSC continues its commitment to the success of Small, Local and Minority Business Enterprise firms in Prince George's and Montgomery counties and the surrounding metropolitan area. This report will describe the accomplishments of the Commission's supplier diversity initiatives in FY 2014.

The Minority Business Enterprise (MBE) Program was re-authorized by the Maryland General Assembly in May 2012. The Program is codified in the WSSC Standard Procedure (SP) MBE 11-01, which provides the regulatory reporting requirements. This policy was implemented along with SLBE SP 12-01 after the 2010 Disparity Study and provided new guidelines, which has led to changes in M/WBE and SLBE contract requirements. These new contract requirements have impacted results for awards and ultimately payments.

In FY 2014, the Commission spent \$99.9 million (20%) in total contract payments to Minority and Women Business Enterprises (M/WBE) (Figure 1) as compared to \$92.1 million in FY 2013 (Figure 2). Although, we did not meet the aspirational goal of 26%, we still exceeded last year's \$92 million in contract payments by \$7.8 million.

Figure 1: FY 2014 M/WBE Contract Payments*

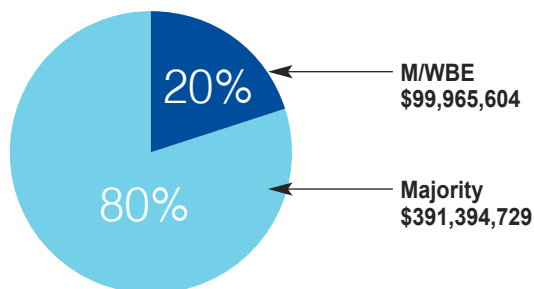
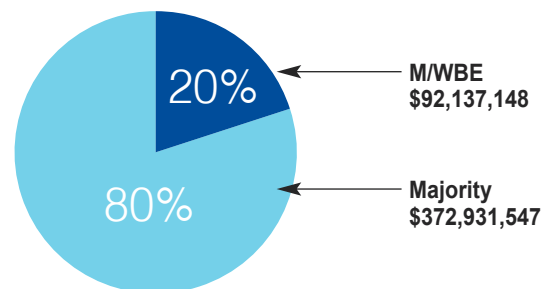


Figure 2: FY 2013 M/WBE Contract Payments*



* Total Contract Payments = (Majority – Subcontract Payments) + (MBE + WBE). MBE and WBE dollars include Prime and Subcontract dollars. Majority dollars are adjusted to exclude the amount proffered to subcontractors, to ensure subcontracts are not double counted.

Executive Summary (cont.)

In FY 2014, the Commission awarded \$228.5 million (23%) to M/WBE firms (Figure 3) as compared to \$186 million in FY 2013. Although there were more M/WBE Award dollars, WSSC's total contract award dollars of \$974 million increased by \$228 million total contract award dollars in FY 2013 (Figure 4).

Figure 3: FY 2014 M/WBE Contract Awards

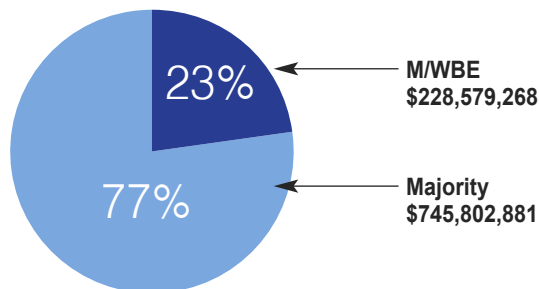
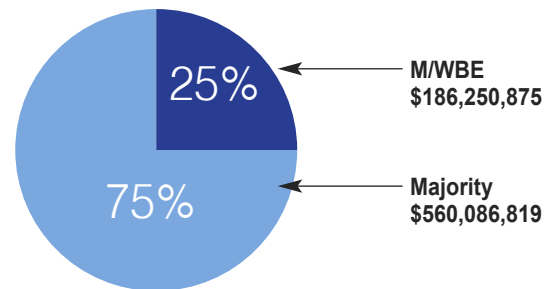


Figure 4: FY 2013 M/WBE Contract Awards



Spending with SLBE firms increased in FY 2014. The total contract payments made to SLBE firms, inclusive of prime contractors and validated payments of subcontractors in FY 2014, was \$18.2 million, an increase of \$11.1 million compared to FY 2013 SLBE contract payments at \$7.1 million.

The SLMBE Office continues to cultivate and expand relationships with the business community and professional and trade organizations. Our vigorous outreach efforts of educating and enlisting new suppliers include:

- Providing contracting opportunities and information
- Registering over 840 vendors in the Centralized Bidder Registration (CBR) system
- Approving over 80 new firms in the SLBE Program
- Participating in approximately 65+ internal and external events such as business/procurement fairs, tradeshow, and business matchmaking and networking events.

WSSC's performance in FY 2014 and our goals for the current year demonstrates our commitment to the success of the SLMBE Programs and the community that WSSC continually serves.

SLMBE Program Fiscal Year 2014

Performance Measures, Data and Graphs:

SUMMARY OF FY 2014 TOTAL CONTRACT PAYMENTS AND AWARDS

For the purpose of this FY 2014 Legislative Report, WSSC reports total contract payments based on the service area of Prince George's and Montgomery counties, the Baltimore and Washington Standard Metropolitan Statistical Area (SMSA) respectively, other surrounding communities/counties in Maryland and out of state.

The following pages provide the breakdown of contract payments and awards for FY 2014. It is our goal to provide accurate and complete information to ensure compliance with the SLMBE Program objectives and demonstrate the performance of the MBE and SLBE Programs for FY 2014.

M/WBE PROGRAM: Data and Metrics

M/WBE contract award amounts serve as a leading indicator for WSSC's MBE contract performance. However, actual payments to MBE firms measures the success of the M/WBE Program. The following figures provide the breakdown of contract payments based on total contract payments, WSSC contracting areas and M/WBE classifications.

Payments

Payments serve as a lagging indicator as a result of the contract awards. In FY 2014, WSSC's total contract payments totaled \$491 million while the total contract M/WBE payments were \$99.9 million or 20% shown in Figure 5 below.

Figure 5: Summary of Total Contract Payments* by WSSC Contracting Area

Contract Area	M/WBE dollars	M/WBE percent	Prime MBE dollars	Prime WBE dollars	M/WBE Sub Dollars	Prime Majority dollars	Total dollars
A/E Services	\$9,098,265.56	19%	\$1,525,818.03	26,237.36	\$7,546,210.17	\$39,249,368.42	\$48,347,633.98
Construction Services	\$27,583,027.54	13%	\$22,192,959.83	–	\$5,390,067.71	\$190,406,387.03	\$217,989,414.57
Goods & Services	\$53,798,502.06	31%	\$28,666,654.09	22,160,181.13	\$2,971,666.84	\$117,552,567.97	\$171,351,070.03
Professional Services	\$9,485,809.98	18%	\$6,536,860.96	2,238,181.84	\$710,767.18	\$44,186,405.59	\$53,672,215.57
Total All Contract Areas	\$99,965,605.14	20%	\$58,922,292.91	24,424,600.33	\$16,618,711.90	\$391,394,729.01	\$491,360,334.15

* Total Contract Payments = (Majority – Subcontract Payments) + (MBE + WBE). MBE and WBE dollars include Prime and Subcontract dollars. Majority dollars are adjusted to exclude the amount proffered to subcontractors, to ensure subcontracts are not double counted.

Payments (Cont.)

Figure 6: Total M/WBE Payments by Classification

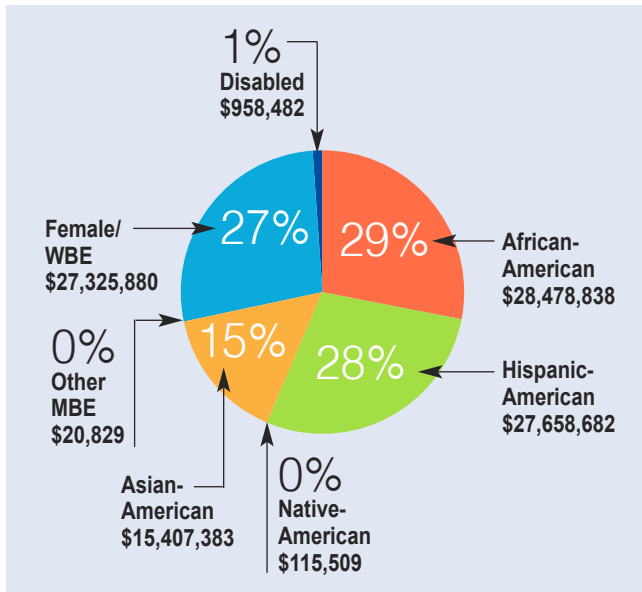


Figure 6 represents the breakdown of the \$99.9 million paid to MBE firms.

Figure 7: Total M/WBE Contract Payments* by Location

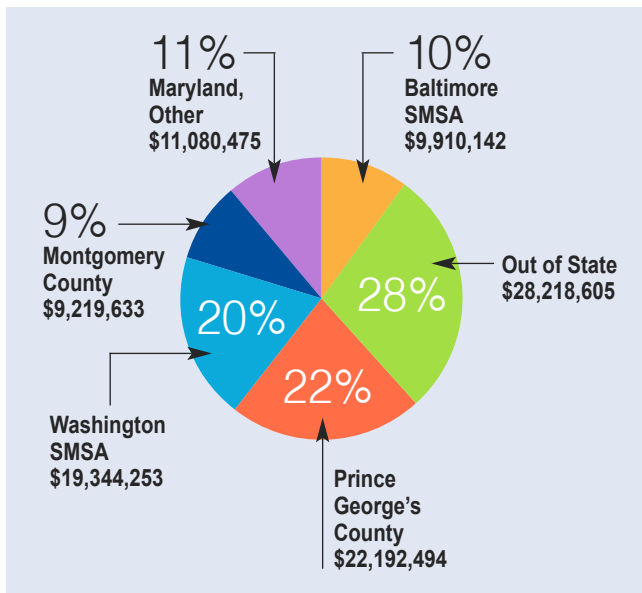


Figure 7 illustrates a total of \$52.4 million of WSSC's total M/WBE contract payments remitted to businesses domiciled in Prince George's and Montgomery Counties and other counties in the state of Maryland.

Figure 8: Total Contract Payments* by Location

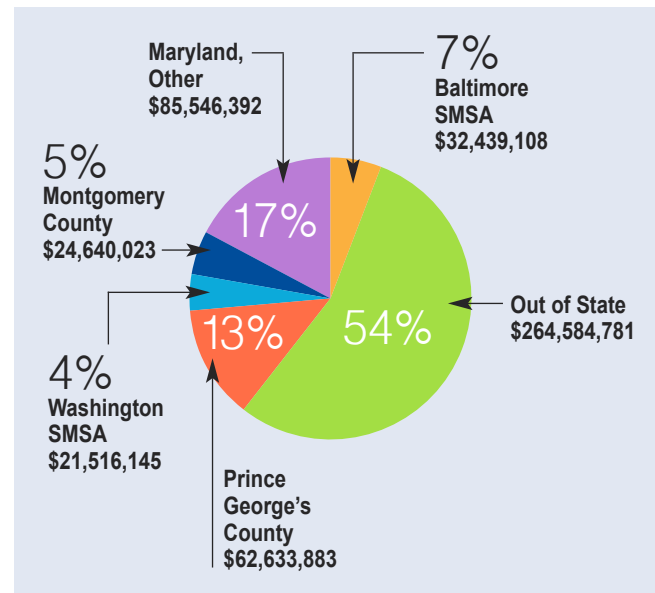


Figure 8 illustrates a total amount of contracts awarded with 54% of the payments to out-of-state firms.

* Total Contract Payments = (Majority – Subcontract Payments) + (MBE + WBE). MBE and WBE dollars include Prime and Subcontract dollars. Majority dollars are adjusted to exclude the amount proffered to subcontractors, to ensure subcontracts are not double counted.

Awards

Contract awards serve as a leading indicator of future contract payments, but the impact of the multiyear contract awards will not be evident for the payments in a single fiscal year. This is an increase of \$42.3 million in total contract M/WBE awards for the current fiscal year compared to FY 2013 (\$186.2 million). Figure 9 summarizes total contracts awarded in FY 2014, \$228 million or 23% was awarded to certified-M/WBE firms.

Figure 9: Total Contract Awards

Contract Area	M/WBE% percent	Prime WBE dollars	Prime MBE dollars	M/WBE sub dollars	Prime Majority dollars	Total Awards dollars
A/E Services	40%	\$2,475,000.00	\$14,475,000.00	\$16,283,338.55	\$50,789,255.57	\$84,022,594.12
Construction Services	15%	\$0.00	\$31,122,340.17	\$59,783,829.37	\$535,579,761.00	\$626,485,930.54
Goods & Services	41%	\$22,995,066.48	\$57,219,084.07	\$7,873,638.29	\$124,837,142.70	\$212,924,931.54
Professional Services	32%	\$2,141,731.67	\$8,410,276.84	\$5,799,962.58	\$34,596,722.01	\$50,948,693.10
Total All Contract Areas	23%	\$27,611,798.15	\$111,226,701.08	\$89,740,768.79	\$745,802,881.28	\$974,382,149.30

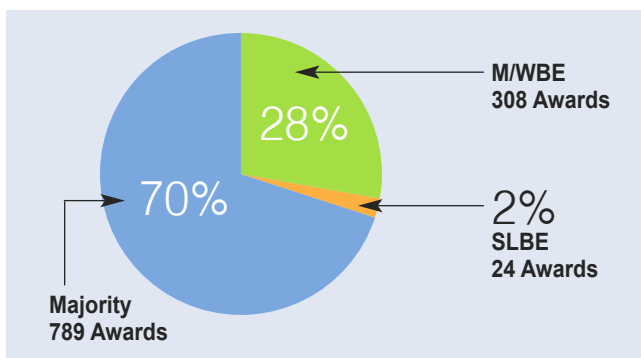
Of the \$228 million in M/WBE awards, \$138.8 was awarded to prime M/WBE Firms and \$89.7 million to M/WBE subcontracts (Figure 10).

Figure 10: M/WBE Prime and Subcontractor Awards

Contract Area	Sub percent of M/WBE%	Prime dollars	Sub dollars	Total Awards dollars
A/E Services	49%	\$16,950,000.00	\$16,283,338.55	\$33,233,338.55
Construction Services	66%	\$31,122,340.17	\$59,783,829.37	\$90,906,169.54
Goods & Services	9%	\$80,214,150.55	\$7,873,638.29	\$88,087,788.84
Professional Services	35%	\$10,552,008.51	\$5,799,962.58	\$16,351,971.09
Total All Contract Areas	39%	\$138,838,499.23	\$89,740,768.79	\$228,579,268.02

In FY 2014, WSSC awarded 1121 contracts, of that total, 28% was awarded to M/WBE firms and 2% to SLBE firms. (Figure 11).

Figure 11: Total Number of Contracts Awarded by Business Type



Awards (Cont.)

Figure 12: Trending Report by Fiscal Year for M/WBE Awards

<i>Fiscal Year</i>	<i>M/WBE percent</i>	<i>M/WBE Awards dollars</i>	<i>Majority Awards dollars</i>	<i>Total Awards dollars</i>
2010	29%	\$77,127,129.00	\$192,506,464.00	\$269,633,593.00
2011	31%	\$133,211,249.00	\$294,257,980.00	\$427,469,229.00
2012	18%	\$129,037,973.00	\$573,944,275.00	\$702,982,248.00
2013	25%	\$186,250,875.00	\$560,086,819.00	\$746,337,694.00
2014	23%	\$228,579,268.02	\$745,802,881.28	\$974,382,149.30

The five-year fiscal year trending data depicts that on average, WSSC awarded 25.2% of its total contracts to M/WBE firms. In FY 2014, WSSC awarded 23% of its contracts to M/WBE firms. (Figure 12)

Figure 13: Trending Report of M/WBE Awards by Fiscal Year and WSSC Contracting Area



Figure 13 demonstrates the trend of M/WBE awards by contracting area over the past five years.

SMALL LOCAL BUSINESS ENTERPRISE PROGRAM: Data and Metrics

Established in 2001, the SLBE Program is WSSC's "signature" program to ensure the local business community has opportunities to participate in WSSC contracting. The SLBE Program is a race and gender-neutral program specifically designed by the Commission to encourage contracting with small firms located in Prince George's and Montgomery counties and/or significant employee presence. The SLBE Program furthers the Commission's objective of fostering broad-based competition within the small and local business community, and encouraging economic growth by offering benefits to small firms headquartered in Prince George's and Montgomery counties. These benefits include special subcontracting requirements, preference in evaluation and pricing and a sheltered market program.

Payments

In FY 2014, our payments to SLBE firms (primes and validated payments to subcontractors) totaled \$18.2 million as depicted in Figure 14, with \$16.9 million in payments for Construction.

Figure 15 provides a breakdown of the SLBE payments by location with \$11.3 million of the \$18.2 million to firms located in Prince George's county.

Figure 14: Payments to SLBE Firms by WSSC Contracting Area

WSSC Contract Area	Totals
A&E	\$5,272.50
Construction	\$16,947,332.94
Goods and Services	\$1,188,752.58
Professional Services	\$144,125.99
Total	\$18,285,484.01

Figure 15: Payments to SLBE Firms by Location

Location/County	Totals
Out of State	\$884,324.38
Prince George's County	\$11,318,050.80
Washington SMSA	\$1,004,074.48
Montgomery County	\$4,189,077.98
Maryland, Other	\$889,956.37
Total	\$18,285,484.01

SLBE firms were awarded \$111.2 million with the majority of awards in the contracting area of Construction in the amount of \$105 million (Figure 16).

Figure 16: Awards to SLBE Firms by Contracting Area

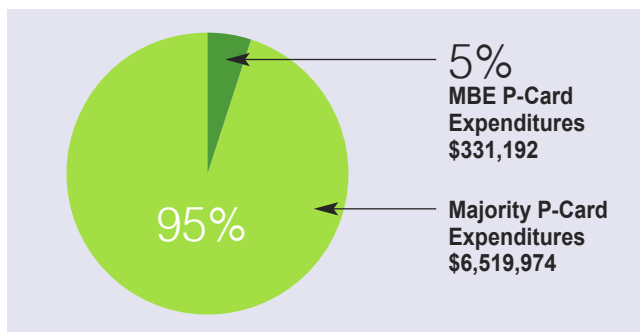
Contract Area	Prime dollars	Sub dollars	Total dollars
A/E Services	\$0.00	\$3,465,330.00	\$3,465,330.00
Construction Services	\$3,244,971.00	\$102,191,776.00	\$105,436,747.00
Goods & Services	\$1,497,718.04	\$124,000.00	\$1,621,718.04
Professional Services	\$350,000.00	\$332,543.00	\$682,543.00
Total	\$5,092,689.04	\$106,113,649.00	\$111,206,338.04

FY 2014 MBE Procurement Card Expenditures

Procurement Cards (P-Cards) are used for informal expenditures of less than \$5,000. While these expenditures are not tracked formally for regulatory reporting, the Commission does work to ensure that our supplier diversity efforts carry over to our credit card expenditures.

In FY 2014, total P-Card purchases were \$6.8 million, of which WSSC's MBE P-Card expenditures were \$331,192 (5%) and the Majority P-Card expenditures were \$6.5 million (Figure 17).

Figure 17: MBE P-Card Expenditures



Internal Efforts of WSSC and the SLMBE Office

The commitment of the SLMBE Program is rooted in the belief of the WSSC Commissioners, General Manager/CEO and senior management that, *“diversity is just the way we do business.”*

This commitment is growing deeper in WSSC’s culture with positive effects in how WSSC implements policies to increase participation by MBE and WBE firms in contracting opportunities. Motivated by our achievements in FY 2014, the SLMBE Office strives continuously to integrate new, best and current supplier diversity practices and principals designed to meet and exceed our fiscal year MBE expenditure aspirational goal.

The SLMBE Office Strategy centers around Four Strategic Pillars that include: *Supplier Advocacy, Compliance, Extensive Outreach and Supplier Development* and are the hallmark of the SLMBE Office.

Supplier Advocacy

The SLMBE Office ensures fair and equal access to WSSC contracts for all suppliers by:

- Supporting policies and procedures to further the purpose and goals of the SLMBE Program;
- Reviewing and approving SLBE applications and guidelines for WSSC’s signature SLBE Program;
- Serving on project and contract evaluation committees and sourcing teams; and
- Reviewing solicitations for MBE and SLBE subcontracting requirement recommendations for contracts.

Compliance

The SLMBE Office remains vigilant in executing compliance-related activities. Examples of these efforts include:

- Conducting monthly trainings on PRISM™, WSSC’s subcontract reporting tool for both internal and external end-users;

- Processing over 600 contract-related SLMBE memorandums identifying opportunities for M/WBE and SLBE firms on WSSC-funded contracts in FY14 compared to 500+ in FY13 resulting in an increase of approximately 17%;
- Validating subcontractor utilization through the use of compliance reporting tools;
- Responding to numerous compliance-related issues for resolutions;
- Reviewing waiver requests which decreased from 18 in FY13 to three in FY14. All three of the FY14 requests for waivers were denied resulting in no impact to payments;
- Establishing corrective action plans and providing counseling to contractors in support of their performance on WSSC-funded contracts; and
- Implementing a designated mailbox for compliance questions and issues and contract matters.

Supplier Development Accomplishments

In collaboration with the WSSC Procurement Office and WSSC’s contracting areas, the SLMBE Office co-hosted and/or served as presenters in several “How to do Business with WSSC” events at the WSSC headquarters in Laurel, Maryland. For many of the participating suppliers, the opportunity to network, receive contract forecasts from the various business units and learn about WSSC contracting procedures enhanced their success in doing business with WSSC. Members of the SLMBE Office also served on panels with many of the supporting agencies to provide M/WBE firms with information about the SLMBE Office and how to successfully do business with WSSC.

Extensive Outreach

WSSC's SLMBE Office continues to participate in an array of outreach and educational activities designed to facilitate suppliers' participation on WSSC contracts. Staff effectively managed limited resources to successfully:

- Host and/or participate in over 65 SLMBE Events (see figure 18 below)
- Participate in local and national workshops, matchmaking events, and business fairs
- Execute an aggressive communication strategy to keep the SLMBE community aware of contracting opportunities
- Maintain a visible presence in local, regional and national media

Figure 18: FY 2014 SLMBE Outreach Efforts by Organization

Organization Type	Number of Events
Chamber of Commerce	4
Non-Profit Organizations	1
Private Corporations	6
State and Local Government	10
WSSC Contract/Industry Specific Workshops	38
Minority Supplier Development Council	3
WBENC & WPEO	4

Outreach Tools

We use a variety of tools to engage and communicate with our supplier community including:

Weekly E-Alerts – provides vendors with timely contracting opportunities, supplier events and pertinent information for navigating the procurement process

SLMBE Mailbox – provides personalized communication to suppliers via: slmbe@wsscwater.com



SLMBE Website – provides public access to:

- WSSC Web-Based Compliance System
- Online registration for WSSC-hosted events
- MBE and SLBE Policies & Procedures
- WSSC 2010 Disparity
- Supporting Agencies and Organizations
- Compliance FAQs
- Fiscal Year Payment & Awards Results

Calendar of Events – up-to-date access to SLMBE supported events designed to enhance supplier knowledge, information and other resources

Face-to-Face Vendor Assistance –

- Pre-Bid Conferences
- On-site support (by appointment)

Web-Based Compliance Mailbox

- Personalized for compliance/contract matters/issues

Strategic Partnerships – relationship building with key community partners for increased supplier support

Extensive Outreach (cont.)

The SLMBE Office continues to actively participate on leadership boards and committees of supplier diversity organizations to remain connected to the best current practices in supplier development and to provide expertise on administering a successful MBE Program. The SLMBE Office also maintains memberships and support of local and national council chambers, associations and other like-minded organizations. These organizations include: Women Presidents' Educational Organization (WPEO), and Capital Region Minority Supplier Development Council (CRMSDC). The SLMBE Office continued to support numerous regional minority/diversity business development groups based in the Commission's community. These groups represent various ethnic population segments, as well as specific interests in the public and private sectors of the WSSC region.

Because of these and other SLMBE efforts, in FY 14 WSSC received several recognitions (see figure 19 below) including:



To WSSC, a Strategic Partner is one who knows, understands and shows their support of our core strategies and can help sustain our core values. A Strategic Partner is agile, innovative, can grow with us, and has positioned themselves to bring us value by participating in our efforts to deliver cost effective solutions with our customer in mind.

Figure 19: SLMBE Awards/Recognition for FY 2014

ORGANIZATION	AWARD	RECIPIENT	DATE RECEIVED/ NOMINATED
MD Hispanic Business Conference	Bronze Supporter Appreciation	WSSC/SLMBE	9/3/2013
MEA Magazine	25 Influential Women in Business Award	Towanda Livingston	10/2/2013
Capital Region Minority Supplier Diversity Council	Public Entity of the Year	WSSC/SLMBE	10/11/2013
Women of Prince George's	Recognition Award	Towanda Livingston	12/12/2013
Women's Presidents' Educational Organization	Recognition Award	WSSC/SLMBE	1/23/2014

Going Forward

Since the inception of WSSC's Minority Business Enterprise (MBE) Program in 1996, the Commission has continued to find ways to expand access to minority and women-owned businesses. The Commission seeks highly skilled, diverse suppliers whose fresh perspectives and innovation meet the ongoing business challenges of delivering quality water and wastewater services. The SLMBE Office's affirmative procurement initiatives are an integral part of WSSC's mission, which are to provide world-class services to the community.

As we continue to build relationships with MBE firms through various initiatives of the Small, Local and Minority Business Enterprise (SLMBE), the Commission is proud of the positive program results which are demonstrated by \$99.9 million in MBE payments and the \$111.2 million awarded to SLBE firms through our signature SLBE Program. This figure exceeds the FY 2013 performance by \$104 million payments to SLBE firms. The overall goal for M/WBE firms in Fiscal Year 2015 and beyond will focus on re-evaluating the vendor territory. Looking forward to FY 2015, the Commission's comprehensive supplier diversity strategy will focus on the following in order to meet FY 2015 goals:



Branding

As we continue to facilitate growth in our supplier community, our goal is to continue to build education and awareness to promote positive changes in how our suppliers do business with WSSC and beyond. Operating at the intersection of business strategy, technology and innovative communication, the focus in FY 2015 will be to explore enhancing our reach into the community by implementing a strategy that includes a social media campaign based upon community need and continue to implement "Best Practices" in the Supplier Diversity Industry. One of the proposed changes is the transformation of the SLMBE Office to the Supplier Diversity Office.

Transformation Plan

Since our last report, WSSC has continued to blaze trails in the water and wastewater management services industry by engaging in a Three-Year Supply Chain Management Plan that ensures that we operate efficiently and effectively. The goal of this strategy is an

effective and well managed supply chain that delivers the right goods and services to the right place, at the right time, at the right cost, thus ensuring that WSSC is taking advantage of these new practices in order to demonstrate good stewardship of our limited resources. The SLMBE Office is actively engaged in the transformation of the Procurement Office.



Disparity Study

The SLMBE Office is pleased to announce that in Fiscal Year 2015, WSSC will undertake a Disparity Study of procurement procedures for Fiscal Years 2010–2014. This Study will assess the results of a fact-finding process about WSSC's procurement activity on women-owned and minority business enterprises, and possible additional classifications such as businesses owned by veterans and Americans with disabilities.

The purpose of the Study is to evaluate how well WSSC's current procurement policies promote equal opportunity in the award of its contracts, evaluate the business market in this region, and determine if a significant statistical disparity exists in awarding WSSC contracts to woman-owned and minority firms relative to the availability of such firms in the market. It is important that we make this information available to our ratepayers, our business community, policy makers in Montgomery and Prince George's counties, as well as other interested stakeholders. The goals of the Study include:

- **WSSC factual predicate** for assessing future programs
- **Goal Setting** – Goal setting for M/WBE and SLMBE vendors to determine participation rates in WSSC contracts for goods, services, architecture, engineering, professional services and construction
- **Recommendations** as to how the SLMBE Office may be best structured to ensure proper implementation of any resulting Standard Procedures and/or business policies
- **Implementation Plan** – to address any new recommendations

2014 WSSC Leadership

WSSC Board of Commissioners FY 2014



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Adrienne A. Mandel



Dr. Roscoe M. Moore, Jr.

General Manager/CEO



Jerry N. Johnson

2014 SLMBE Team



Towanda R. Livingston
SLMBE Director

Administers and oversees the Small, Local and Minority Business Enterprise Program and Office, including tracking, monitoring, and implementation of programs. The Director is also responsible for ensuring that contractors comply with the contract participation requirements, and for seeing that overall program goals and objectives are met.



Beverly Perry
Administrative Assistant III

Assists the Director and helps manage the SLMBE Office.



Tracey Edwards
SLMBE Acting Director

Currently serving dual role as SLMBE Specialist and Acting Director on behalf of the director in her absence based on the description above.



Thomas "Mike" Turner
Program Unit Coordinator

Coordinates the Office's resources and ensures that practices and procedures are aligned with the Commission's contracting policies.



Dalila Perla
Compliance Specialist

Responsible for tracking, monitoring and reporting compliance and enforcement data.



Stacy Bradner
SLMBE Project Manager

Implements and manages strategic initiatives by managing internal and external staff/consultant(s), analysis, findings and recommendations in support of the SLMBE Program.



LaCreshia Wood
Field Compliance Specialist

Tracks, monitors and reports subcontracting data and SLMBE supplier performance.

Glossary of Terms

Appendix A—Section in WSSC solicitations describing the SLMBE participation requirements, potential subcontracting opportunities, good faith efforts evaluation, test standards determining commercially useful function and applicable SLMBE Program forms.

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 suppliers and by prime contractors or suppliers to subcontractors or sub-suppliers, usually pursuant to an open Invitation for Bid (IFB), a Request for Proposal (RFP) or an Architecture & Engineering Qualification process. Contract awards reflect anticipated dollar amounts, which may be different from eventual payments.

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

Centralized Bidder Registration System (CBR)—An automated, web-based system where prospective bidders register to provide goods or services to the Commission.

Commission (or WSSC)—The Washington Suburban Sanitary Commission.

Compliance—Assuring that what is promised is what is paid. Also, for the SLMBE Office, reviewing and reporting data to provide an accurate picture of how the SLMBE Program is performing.

Contractor—Any person having a contract with WSSC.

Contract Type—Areas within the Commission that contract for goods and professional services in certain industries: Architectural & Engineering, Construction, Goods and Services, and Professional Services.

Construction—The process of building, altering, repairing, improving or demolishing any public facility, including structures, buildings, pipelines, plants, infrastructure or other public improvements to real property. It does not include the routine operation, routine repair or routine maintenance of these facilities. Construction materials and supplies may be part of a construction purchase if procured

by the contractor. If construction materials and supplies are purchased directly by WSSC, they are classified as goods purchases.

Disparity Study—A statistical analysis of WSSC prime contractors and subcontractors. The most recent disparity study covered the period July 1, 2003, to June 30, 2009, and considered purchase orders and direct payments from several WSSC data sources.

Dollars—Dollars paid to primes, subcontractors and suppliers for WSSC contracted goods and services.

Fiscal Year (FY)—The Commission's fiscal year is July 1 through June 30.

Goal—Either a desired annual target or a contract specific subcontracting requirement. Annual targets are aspirational; they are not applicable to individual contracts, but are intended to serve as benchmarks against which to measure the effectiveness of the SLMBE Program in increasing participation of ready, willing and able SLMBEs in WSSC contracting opportunities.

Good Faith Efforts—Actions taken by a bidder, respondent or prime contractor as established by reliable documentation of the bidder's intent to comply with the SLMBE Program goals and procedures. Good faith efforts go beyond due diligence and include, but are not limited to, all specified requirements.

Goods—Supplies, equipment, materials, and all tangible personal property, excluding real property.

Graduation—An MBE or SLBE firm permanently graduates from the Commission's SLMBE Program when it meets the criteria stated in SP MBE 11-01 (effective May 1, 2011) and SP SLBE 12-01 (effective August 26, 2011), respectively.

MBE—MBE is used in two ways in this report:

(1) When used to describe an official WSSC program or policy, MBE refers to any legal entity, except a joint venture, that is organized to engage in commercial transactions; is certified as being at least fifty-one percent (51%) owned, managed, and controlled by one or more socially and economically disadvantaged minority or woman individuals

as defined in Article §14-301 of the State Finance & Procurement Article of the Maryland Annotated Code; and is ready, willing, and able to sell goods or services that are purchased by the WSSC. In this use, MBE includes women-owned business enterprises and is limited to firms that have obtained MBE certification in accordance with the provisions of Section VII.A.

- (2) When used in conjunction with graphs and tables in this report, it includes only minority-owned businesses, and does not include women-owned businesses.

M/WBE Percentage—The award payments made to certified minority and women business enterprises divided by the total awards/payments (majority plus M/WBE). Note that it is possible to have a lower M/WBE payment percentage in a given year, even if the total amount paid is higher, depending on the total dollar amount of all contract payments.

Payments—Dollars actually paid to prime contractors, subcontractors, or suppliers for WSSC-contracted goods and services.

Procurement Card (P-Card)—A credit card used by Commission employees to purchase items under \$5,000. These expenditures are not currently included in the M/WBE payment data.

Procurement Office—The office that obtains goods and professional services Commission-wide.

Proffer—To include in an offer. When a bidder or proposer's offer is accepted with subcontracting participation, the Commission states that the bidder or proposer has proffered subcontracting on the contract.

Services—Labor, time or effort not involving the delivery of a tangible material product other than reports incidental to the required performance. The term includes consulting, personal, professional, technical and advisory services. It does not include employment agreements and collective bargaining agreements.

Sheltered Market Program—A program that gives M/WBE and SLBE firms the opportunity to compete in smaller vendor pools.

Small Local Business Enterprise (SLBE)—An independently owned and operated business—regardless of race, ethnicity or gender—that is located in Prince George's County or Montgomery County or 25 percent of whose employees live in one or both counties.

Small Local and Minority Business Enterprises (SLMBE)—Defined in accordance with Sections 20-304 of the Public Utilities Code, Md. Code Ann., and the criteria adopted by the Commission in SP MBE 11-01 (effective May 1, 2011).

Standard Metropolitan Statistical Area (SMSA)—A geographical region with a relatively high population density at its core and close economic ties throughout the area.

Strategic Partners—A business partner who understands and shows support of our core strategies; lives up to our core values; is agile and innovative, can grow with us; anticipates our needs; and is able to deliver cost-effective solutions with our customers in mind.

Subcontractor—A firm that provides goods or services to a prime contractor in furtherance of the prime contractor's performance under a contract or purchase order with WSSC.

Unbundling—Dividing an aspect of a contract, such as a service, into smaller parts, usually in order to encourage competition by smaller bidders.

Waiver—Approval from the Procurement Office to put aside a requirement in a specific contract. Requests for waivers must be submitted in writing and supported by documentation that demonstrates a good faith effort to meet the requirement either pre- or post-award of a WSSC contract. Waivers are subject to approval by the SLMBE Director.

Women-Owned Business Enterprise (WBE)—Any legal entity, except a joint venture, that is organized to engage in commercial transactions and that is certified as being at least 51 percent owned, managed and controlled by non-minority females.

Production Credits

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