



**WSSC**

*Where Water Matters*

**FY 2015**

## **Small, Local and Minority Business Enterprise Performance Results**



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



# Small, Local and Minority Business Enterprise Performance Results

**FY 2015:  
July 1, 2014–June 30, 2015**

*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, 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, 2015

Greetings Community and Business Partners:



The publication of the 2015 Small, Local and Minority Business Enterprise (“SLMBE”) Performance Results marks the end of another year of accomplishments for WSSC’s SLMBE Program. The SLMBE Performance Results for Fiscal Year (FY) 2015 reflects a continuing and robust effort across the organization, deep engagement with many stakeholders, and our strong commitment to supplier diversity; a commitment that starts at the top of our organization and is embedded in the way we do business every day. We are proud of our performance in FY 2015 because it provides ample evidence of our hard work building partnerships with minority and women-owned businesses and with small and local firms as we strive to bring value to the people we serve through the Minority and Women Business Enterprise (M/WBE) Program and the Commission’s Small Local Business Enterprise (SLBE) Program.

As a consequence of this hard work and these partnerships, I am pleased to report to you that WSSC:

- Made contract payments of over \$134.4 million to M/WBEs – 25% of total contract payments; an increase of 34.5% in payments or \$34.4 million more than 2014.
- Awarded \$187.9 million in M/WBE contracts, 28% of total awards. A 5% increase from the 23% awarded in 2014; and
- Increased M/WBE contract payments to 24% (vs. 22% in 2014) to firms in Prince George’s County and to 10% (vs. 9% in 2014) to firms in Montgomery County.

We continue to make progress because WSSC’s Commissioners and its senior management team are committed to supplier diversity, a commitment reflected in our dynamic M/WBE programs. As the strategies for fulfilling WSSC’s mission to provide the highest quality drinking water while returning clean water back to the environment grow and evolve, our relationships with suppliers do, too.

Throughout this transformation, our SLMBE Program remains a high and consistent priority. 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 handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Jerry N. Johnson  
General Manager/CEO

# 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.

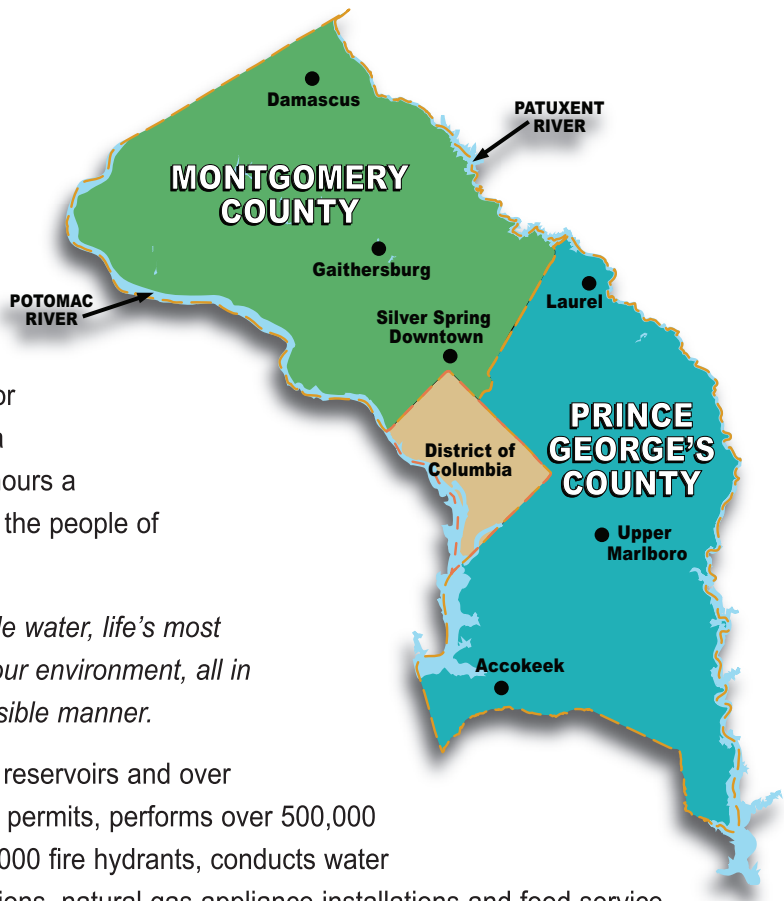
*Our core mission is to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethical, sustainable, and financially responsible manner.*

To achieve our 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 replaced over 60 miles of water pipelines and refurbished over 33 miles of sewer lines in the past year. We strive for excellence in the essential services we provide.

WSSC is governed by six Commissioners with equal representation from Montgomery and Prince George's counties. WSSC's workforce of 1,600 employees demonstrate our commitment to diversity and inclusion in our recruiting and retention initiatives. Our valued employees are highly-trained professionals from meter readers and administrators to engineers, accountants, laboratory technicians, environmental scientists, and the many other skilled and talented professionals it takes to run our modern agency.

## Supporting Supplier Diversity and Excellence at WSSC

We can only do what we do with our many diverse suppliers. Our budget for FY 2015 included \$707.2 million for operating expenses and \$625.4 million in capital expenditures. In FY 2015, there were \$542.7 million in total contract payments, and 25% (or \$134.4 million) of those payments were to minority and women-owned businesses.



[www.wsscwater.com](http://www.wsscwater.com)



# About WSSC's SLMBE Office

Diversity is good business and great for our rate payers. Since 1978, the Washington Suburban Sanitary Commission ("WSSC") has demonstrated a strong commitment to minority and women-owned businesses by empowering WSSC's Small, Local and Minority Business Enterprise (SLMBE) Office to effectively advocate for MBE participation and sheltered contract opportunities exclusive to the SLBE marketplace.

Today, the SLMBE Office has infused into the culture of WSSC the value that "diversity is just the way we do business." The ultimate goal of the SLMBE Program is to level the playing field for entering businesses and firms nearing graduation to fairly compete and win contract opportunities with WSSC.

## 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 & SLBE Programs by setting contract participation goals and determining contract opportunities for placement in the shelter program. The SLMBE Office conducts important outreach to the business community regarding new contract opportunities by: serving as subject-matter experts on numerous panels and workshops throughout the year; maintaining important associations with area professional and trade associations; and engaging in discussions with the public on how to conduct business with WSSC. The SLMBE Office delivers on its Four Pillars of: **Supplier Advocacy**, **Compliance**, **Extensive Outreach**, and **Supplier Development** through an extensive network of supporting organizations assisted by an exceptional staff.



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

# Executive Summary

During the past decade, WSSC has awarded over \$1 billion to SLMBE firms. Our mandate each year is to determine and implement new strategies to build on this record. We recognize that SLMBE firms help provide ideas and perspectives reflective of the diverse marketplace and community in which we serve. WSSC's SLMBE Program has created many win-win solutions for WSSC and our 1.8 million residents to whom we proudly provide water and sewer services.

WSSC continues its commitment to the success of Small, Local and Minority Business Enterprise (SLMBE) firms. The MBE Program is mandated to lower barriers to contracting opportunities for MBE primes and subcontractors. In doing so, WSSC effectively levels the competitive field for MBEs, WBEs and small and local businesses in Montgomery and Prince George's counties and the surrounding metropolitan area. This report will describe the accomplishments of WSSC's supplier diversity initiatives in FY 2015.

WSSC's Minority Business Enterprise (MBE) Program was codified in WSSC Standard Procedure (SP) MBE 11-01. The statutory foundation for SP MBE 11-01 was reauthorized by the General Assembly in 2012 and will expire on July 1, 2017 unless renewed. SP MBE 11-01, which in accordance with applicable law is a narrowly-tailored program, facilitates participation of responsible MBEs in all types of WSSC contracting, and provides in limited circumstances for race-conscious remedies consistent with the results of WSSC's 2010 Disparity Study. The results conveyed in the following pages highlight the success WSSC has achieved since implementing SP MBE 11-01 and a companion program, SP SLBE 12-01, which assists small businesses located in Montgomery County and Prince George's County to participate in WSSC contracting. These policy changes led to new contract requirements and have impacted results for awards and ultimately payments.

The cornerstone of the MBE program and key performance measure is the dollar value of contract payments made to M/WBEs.<sup>1</sup> In alignment with the goals of the MBE Program, WSSC continues to implement strategies to support increasing contract payments to M/WBEs each fiscal year based on the 2010 Disparity Study.

In FY 2015, WSSC spent \$134.4 million (25%) in total contract payments to M/WBEs (Figure 1) as compared to \$99.9 million (20%) in payments made in FY 2014 (Figure 2). This represents a 34.5% increase in payments made to our ever-growing supplier base in the M/WBE vendor community.

Figure 1: FY 2015 M/WBE Contract Payments

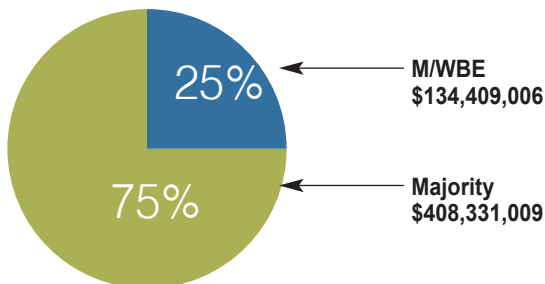
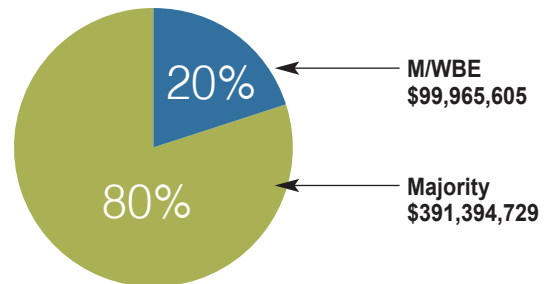


Figure 2: FY 2014 M/WBE Contract Payments



<sup>1</sup>The abbreviation "M/WBE" includes women-owned business enterprises ("WBEs") as well as minority-owned firms that have obtained MBE certification as provided in SP MBE 11-01

# Executive Summary *(cont.)*

## M/WBE Awards

In FY 2015, WSSC awarded \$187.9 million (28%) in contracts to M/WBE firms (Figure 3) as compared to \$228.6 million (23%) in FY 2014. Fewer contract dollars were awarded to M/WBEs in FY 2015 as WSSC's total contract award dollars declined by \$300 million to \$674.3 million relative to FY 2014 (Figure 4). However, the proportion of M/WBE award dollars increased by 5% in FY 2015. Thus, even in a year when WSSC's overall contract award dollars declined, our MBE Program helped M/WBEs to increase their percentage participation through WSSC's concerted effort to stimulate competitive sourcing of M/WBEs.

Figure 3: FY 2015 M/WBE Contract Awards

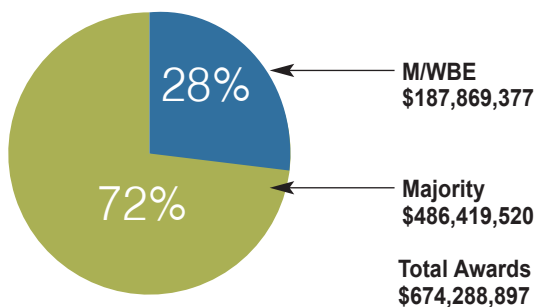
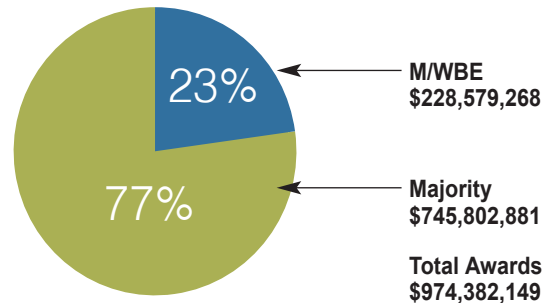


Figure 4: FY 2014 M/WBE Contract Awards



## SLBE Program

As a “race and gender neutral” program, WSSC’s signature SLBE Program continues to demonstrate value to our local economy. Spending with SLBE firms increased again in FY 2015.

The total contract payments made to SLBE firms, inclusive of prime contractors and validated payments of sub-contractors in FY 2015, was \$22 million, a \$3.8 million increase compared to FY 2014 SLBE contract payments of \$18.2 million.

## SLMBE Outreach

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

- Providing contracting opportunities and information
- 738 new suppliers registered in WSSC’s Centralized Bidder Registration (CBR) system as of June 30, 2015
- 60+ internal and external outreach events such as business/procurement fairs, tradeshow, and business matchmaking and networking events to link the SLMBE program to the wider business community

WSSC’s performance in FY 2015 and our goals for the current year demonstrate our commitment to the success of the SLMBE Programs and the community that WSSC continually serves.



# SLMBE Highlights Since the 2010 Disparity Study

## 2010

- **January 20, 2010**  
Graduation requirements for the Minority Business Enterprise Program were proposed by General Manager/CEO, Jerry N. Johnson. WSSC voted to adopt the MBE graduation proposal as specified [in Resolution 2010-1856] by the General Manager/CEO
- **May 26, 2010**  
Disparity Study Kick-Off Presentation
- **December 15, 2010**  
WSSC completed 2010 Disparity Study

## 2011

- **March 16, 2011**  
WSSC voted unanimously to adopt Resolution 2011-1909, which authorizes a new Minority Business Enterprise (“MBE”) Program, SP MBE 11-01
- **July 20, 2011**  
WSSC approves key changes in SLBE Programs: WSSC adopted by resolution, the SLBE Program, referred to as Standard Procedure (SP) SLBE 12-01 that outlines race-and-gender-neutral remedies in WSSC’s SLBE Program
- **July 2011**  
WSSC modifies solicitation process to capture SLMBE participation in contracts (Appendix A and Good Faith Efforts Guide)
- **August 26, 2011**  
New SLBE Program Effective (SP SLBE 12-01)
- **November 22, 2011**  
WSSC reported to the General Assembly it made contract payments in the amount of \$66.9 million to M/WBES

## 2012

- **April 2012**  
The MBE Program was re-authorized by the Maryland General Assembly
- **July 1, 2012**  
The MBE Program statute became effective; and is authorized through July 1, 2017
- **October 30, 2012**  
New web-based compliance system launched
- **November 2012**  
WSSC reported to the General Assembly it made contract payments in the amount of \$102.3 million to M/WBES

## 2013

- **October 31, 2013**  
WSSC reported to the General Assembly it made contract payments in the amount of \$92.1 million to M/WBES

## 2014

- **2014**  
Over 65 SLMBE outreach events conducted in 2014
- **October 31, 2014**  
WSSC reported to the General Assembly it made contract payments in the amount of \$100 million to M/WBES

## 2015

- **May 19, 2015**  
2015 Disparity Study Kick-off. WSSC General Manager/CEO, Jerry N. Johnson, announced the selection of MGT of America, Inc. (“ MGT”) to conduct the latest Disparity Study
- **June 17, 2015**  
WSSC approved Resolution No. 2015-2091, extending its existing Standard Procedure (SP) MBE 11-01 up to and including September 30, 2016

# SLMBE Program Fiscal Year 2015 Performance Results

## SUMMARY OF FY 2015 TOTAL CONTRACT PAYMENTS AND AWARDS

For the purpose of this FY 2015 SLMBE Results, 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), other surrounding communities/counties in Maryland, and out of state.

The following pages provide the breakdown of contract payments and awards for FY 2015. It is our goal to provide accurate and complete information to comply with the SLMBE Program objective of ensuring supplier diversity and to demonstrate the performance of the MBE and SLBE Programs for FY 2015.

### 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 measure 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 2015, WSSC's total contract payments totaled \$542.7 million while the total M/WBE payments were \$134.4 million, or 25% shown in Figure 5 below.

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

Contract Area	Goal	M/WBE dollars	M/WBE percent	Total MBE dollars	Total WBE dollars	M/WBE Sub Dollars*	Total Majority dollars	Total dollars
A/E Services	24%	\$12,386,579	28%	\$12,008,351	378,228	\$4,899,666	\$31,813,260	\$44,199,839
Construction Services	20%	\$47,121,487	17%	\$45,500,465	1,621,022	\$9,558,433	\$237,183,496	\$284,304,983
Goods & Services	28%	\$57,264,135	34%	\$40,258,053	17,006,082	\$5,257,974	\$112,836,298	\$170,100,433
Professional Services	20%	\$17,636,805	40%	\$13,768,584	3,868,221	\$2,109,012	\$26,497,955	\$44,134,760
<b>Total All Contract Areas</b>	<b>26%</b>	<b>\$134,409,006</b>	<b>25%</b>	<b>\$111,535,453</b>	<b>\$22,873,553</b>	<b>\$21,825,085</b>	<b>\$408,331,009</b>	<b>\$542,740,015</b>

\*Sub Dollars are included in the Total M/WBE Dollars.

# Payments (Cont.)

Figure 6 (below) shows payments totaling \$41.2 million (31%) were spent with certified Hispanic American firms. A low number of certified Native American firms received payments of \$1.3 million (<1%) and Disabled firms received \$1.2 million (<1%).

**Figure 6: Total M/WBE Payments by Classification**

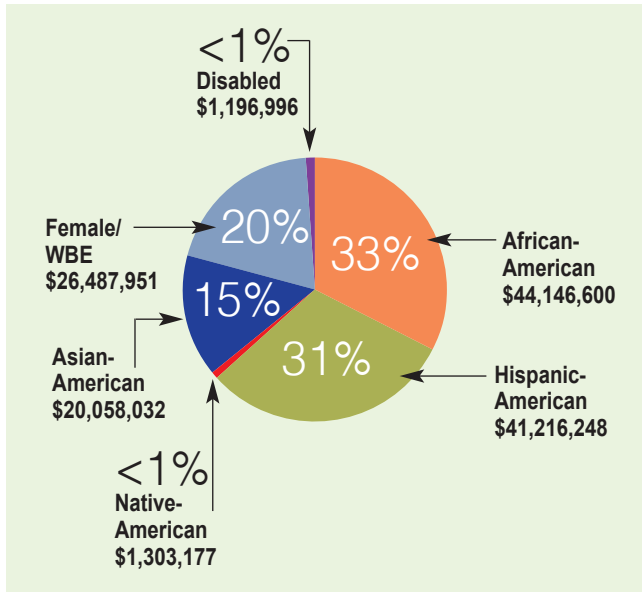


Figure 6 represents the breakdown of the \$134.4 million paid to M/WMBE firms.

Comparing Figure 7 to Figure 8:

Over 50% of WSSC M/WBE contract payments were paid to firms in Maryland.

Doing more business with M/WBE firms is good for the State of Maryland economy.

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

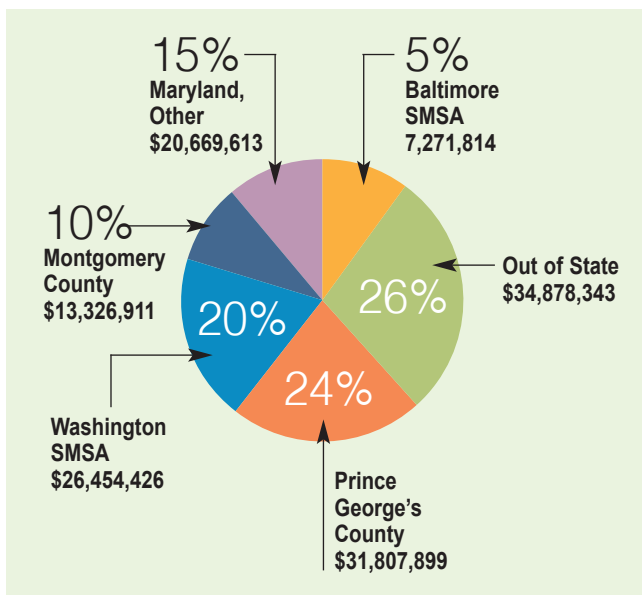


Figure 7 illustrates a total of \$73 million (54%) of WSSC's total M/WBE contract payments remitted to businesses domiciled in Prince George's and Montgomery counties and other counties in the state of Maryland.

**Figure 8: Total Contract Payments by Location**

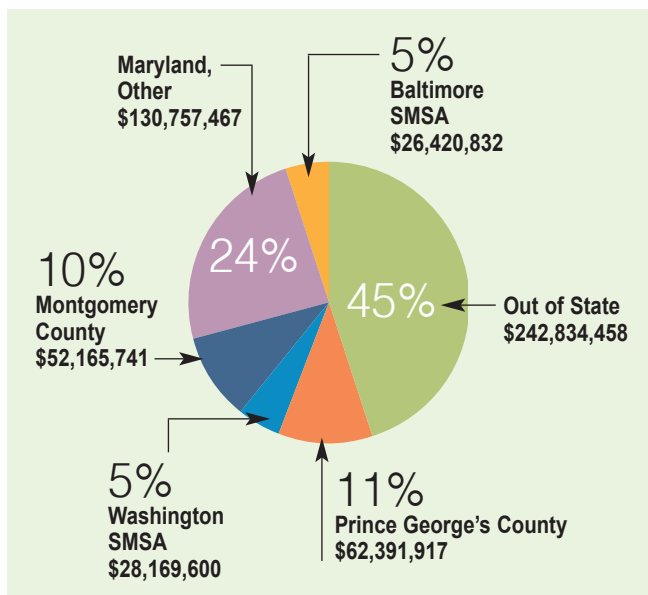


Figure 8 illustrates a total amount of contracts with 50% of the payments to businesses domiciled in Maryland, including Prince George's and Montgomery Counties.

# Payments (Cont.)

Figure 9: Trending Report by Fiscal Year for M/WBE Payments

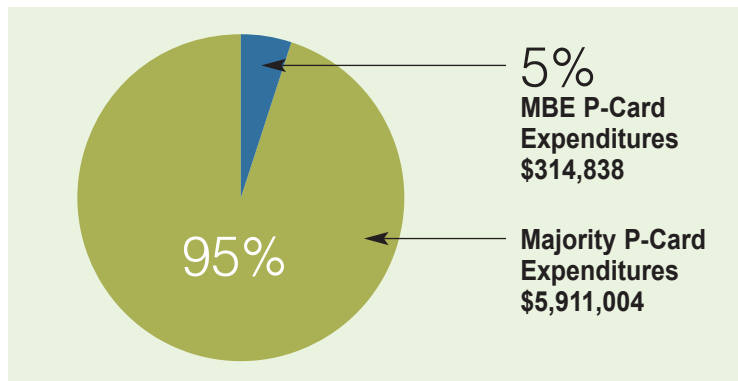
Fiscal Year	M/WBE percent	M/WBE Payments	Majority Payments	Total Awards dollars
2011	27%	\$66,853,578	\$182,334,869	\$249,188,447
2012	28%	\$102,281,071	\$263,399,584	\$365,680,655
2013	20%	\$92,137,148	\$372,931,547	\$465,068,695
2014	20%	\$99,965,604	\$391,394,729	\$491,360,333
2015	25%	\$134,409,006	\$408,331,009	\$542,740,015
<b>5 Year Average</b>	<b>24%</b>			

The five-year fiscal year trending data depicts that on average, WSSC has paid 24% of its total payments to M/WBE firms. In FY 2015, WSSC paid 25% of its contracts to M/WBE firms (Figure 9).

## FY 2015 MBE Procurement Card Expenditures

Procurement Cards (P-Cards) are used for expenditures of less than \$5,000. In FY 2015, total P-Card purchases were \$6.2 million, of which WSSC's MBE P-Card expenditures were \$314,838 (5%) and the Majority P-Card expenditures were \$5.9 million (Figure 10).

Figure 10: MBE P-Card Expenditures





# Awards

Contract awards serve as a leading indicator of future contract payments. Because contracts may have multi-year terms, the impact of an award may extend beyond a single fiscal year. FY 2015 saw a \$40.6 million decrease in M/WBE contract awards (\$187.9 million) compared to FY 2014 (\$228.5 million).

Figure 11 summarizes total contracts awarded in FY 2015, \$187.9 million or 28% was awarded to certified-M/WBE firms. This is a proportional increase of 5% over FY 2014 (23%) M/WBE contract awards.

**Figure 11: Total Contract Awards**

Contract Area	M/WBE% percent	WBE dollars	MBE dollars	Total M/WBE dollars	Majority dollars	Total Awards dollars
A/E Services	16%	\$0	\$13,025,053	\$13,025,053	\$69,241,298	\$82,266,351
Construction Services	26%	\$0	\$77,231,870	\$77,231,870	\$216,736,187	\$293,968,057
Goods & Services	30%	\$28,355,429	\$47,625,269	\$75,980,698	\$174,256,122	\$250,236,820
Professional Services	45%	6,325,616	\$15,306,140	\$21,631,756	\$26,185,913	\$47,817,669
<b>Total All Contract Areas</b>	<b>28%</b>	<b>\$34,681,045</b>	<b>\$153,188,332</b>	<b>\$187,869,377</b>	<b>\$486,419,520</b>	<b>\$674,288,897</b>

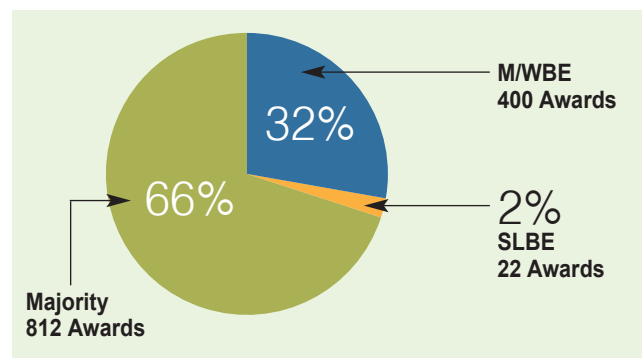
**Figure 12: M/WBE Prime and Subcontractor Awards**

Contract Area	Sub percent of M/WBE%	M/WBE PRIME dollars	M/WBE Sub dollars	Total M/WBE Awards dollars
A/E Services	92%	\$1,017,708	\$12,007,345	\$13,025,053
Construction Services	33%	\$51,965,453	\$25,266,417	\$77,231,870
Goods & Services	20%	\$60,842,580	\$15,138,118	\$75,980,698
Professional Services	20%	\$17,328,091	\$4,303,665	\$21,631,756
<b>Total All Contract Areas</b>	<b>30%</b>	<b>\$131,153,832</b>	<b>\$56,715,545</b>	<b>\$187,869,377</b>

Of the \$187.9 million in total M/WBE awards, \$131.2 million was awarded to prime M/WBE firms and \$56.7 million to M/WBE subcontractors. Thirty percent was awarded to certified M/WBE subcontracting firms.

In FY 2015, WSSC awarded 1,234 contracts. Of that total, 32% was awarded to M/WBE firms and 2% to SLBE firms.

**Figure 13: Total Number of Contracts Awarded by Business Type**



# Awards (Cont.)

Figure 14: Trending Report by Fiscal Year for M/WBE Awards

Fiscal Year	M/WBE percent	M/WBE Awards dollars	Majority Awards dollars	Total Awards dollars
2011	31%	\$133,211,249	\$294,257,980	\$427,469,229
2012	18%	\$129,037,973	\$573,944,275	\$702,982,248
2013	25%	\$186,250,875	\$560,086,819	\$746,337,694
2014	23%	\$228,579,268	\$745,802,881	\$974,382,149
2015	28%	\$187,869,377	\$486,419,520	\$674,288,897
<b>5 Year Average</b>	<b>25%</b>			

The five-year fiscal year trending data depicts that on average, WSSC awarded 25% of its total contracts to M/WBE firms. In FY 2015, WSSC awarded 28% of its contracts to M/WBE firms (Figure 14).

Figure 15: Trending Report of M/WBE Awards by Fiscal Year and WSSC Contracting Area

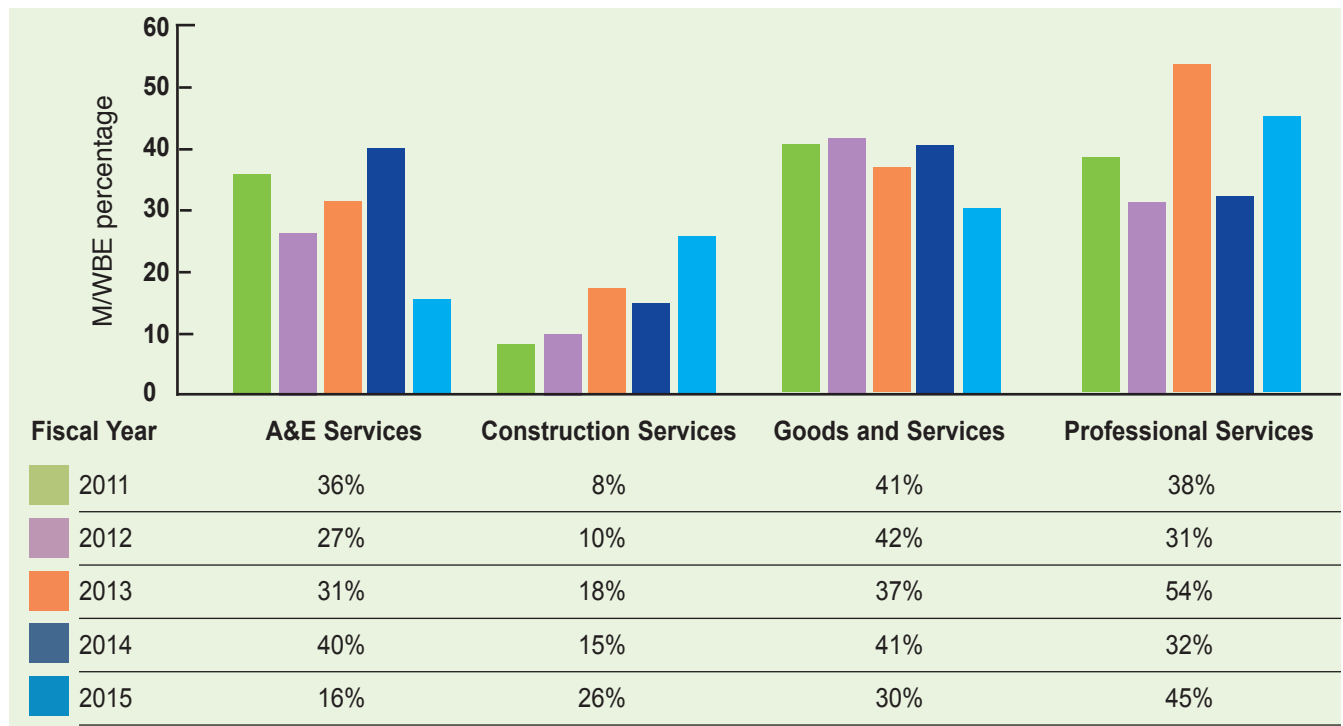


Figure 15 demonstrates the trend of M/WBE awards by contracting area over the past five years.

# Small Local Business Enterprise Program: Performance Results

Established in 2001, the SLBE Program is WSSC’s “signature” program to ensure the local business community has opportunities to participate in WSSC contracts. The SLBE Program is a race and gender-neutral program specifically designed by WSSC to encourage contracting with small firms located in Prince George’s and Montgomery counties and/or having a significant employee presence in the jurisdictions. 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, particularly to those 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 2015, our payments to SLBE firms (primes and validated payments to subcontractors) totaled \$22 million as depicted in Figure 16, with \$19.5 million in payments for Construction Services.

Figure 17 provides a breakdown of the SLBE payments by location with \$10.4 million of the \$22 million to firms located in Prince George’s County and another \$6.4 million paid to those in Montgomery County.

**Figure 16: Payments to SLBE Firms by WSSC Contracting Area**

WSSC Contract Area	Totals
A&E Services	\$125,120
Construction Services	\$19,585,140
Goods and Services	\$1,584,832
Professional Services	\$716,044
<b>Total</b>	<b>\$22,011,136</b>

**Figure 17: Payments to SLBE Firms by Location**

Location/County	Totals
Out of State	\$2,164,247
Prince George’s County	\$10,416,062
Washington SMSA	\$84,242
Montgomery County	\$6,446,198
Maryland, Other	\$2,900,387
<b>Total</b>	<b>\$22,011,136</b>

SLBE firms were awarded \$37.2 million with the majority of award dollars in the contracting area of Construction Services in the amount of \$30.9 million (Figure 18).

**Figure 18: Awards to SLBE Firms by Contracting Area**

Contract Area	Prime dollars	Sub dollars	Total dollars
A/E Services	\$0	\$2,962,659	\$2,962,659
Construction Services	\$2,795,342	\$28,196,717	\$30,992,059
Goods & Services	\$1,678,964	\$0	\$1,678,964
Professional Services	1,000,000	\$532,051	\$1,532,051
<b>Total</b>	<b>\$5,474,306</b>	<b>\$31,691,427</b>	<b>\$37,165,733</b>

# WSSC's SLMBE Program and Strategic Sourcing

WSSC continues its commitment to guarantee the SLMBE community's participation in our acquisition of goods and services and professional services. To this end, as part of WSSC's current Supply Chain Management Transformation initiative, SLMBE firms are given early consideration in WSSC Strategic Sourcing efforts. Strategic Sourcing includes efforts such as: expanding the supplier pool, conducting negotiations, developing customer and supplier relationships, risk management and ensuring SLMBE participation in the solicitation process.

Cross-functional Strategic Sourcing Teams (SST) are formed to develop strategies for securing goods and services with a mind towards driving down the cost of doing business. While looking to reduce our costs, we safeguard our ongoing efforts to ensure supplier diversity in our acquisition of goods and services by making certain that the SLMBE Office is a member of every SST. Early SLMBE Office involvement guarantees that SLMBE firms are not overlooked in the Strategic Sourcing process and in fact, deliberate emphasis and attention is provided to our SLMBE community as we develop sourcing strategies.

## Supplier Diversity: The Strategy That Keeps On Giving Success Stories for the SLMBE Program

One SST acquired specialized vehicles needed for our sewer rehabilitation and repair program. The SST identified potential suppliers and conducted special outreach to the SLMBE community. Ultimately, a supplier bid to supply WSSC five specialized vehicles at a cost of \$1,740,755. The successful bidder proffered 27.36% or \$476,271 to a qualified and certified MBE. Without the outreach and the special attention afforded SLMBE firms by the SST, it is unlikely that any portion of this \$1.7 million contract would have flowed to the SLMBE community. This is just one example of WSSC's efforts to include SLMBE firms in our supplier pool and to identify both prime and sub-contractors early in the Strategic Sourcing process.

## Strategic Alliance Success: Certification Agencies

WSSC makes certification easier for SLMBE firms by strategically working with and recognizing five certification agencies that SLMBE firms can use to gain the needed credentials when bidding on WSSC contracts as SLMBE firms. These agencies have formed lasting working relationships with WSSC that benefit the entire business community. They are the:

1. Maryland Department of Transportation (MDOT)
2. Prince George's County Supplier Development & Diversity Division (SDDD)
3. D.C. Department of Small and Local Business Development (DSLBD)
4. Capital Region Minority Supplier Development Council (CRMSDC)
5. Women President's Education Organization (WPEO)

*"Maintaining a strategic alliance with WSSC's SLMBE Office that yields results, is just the way Prince George's County Supplier Development & Diversity Division (SDDD) does business. Combining our respective strengths to achieve a compatible objective, is a win-win for Prince George's County, WSSC and the SLMBE communities."*

*Sharon Moore Jackson  
Acting Executive Director  
Prince George's County  
Supplier Development  
Diversity Division*

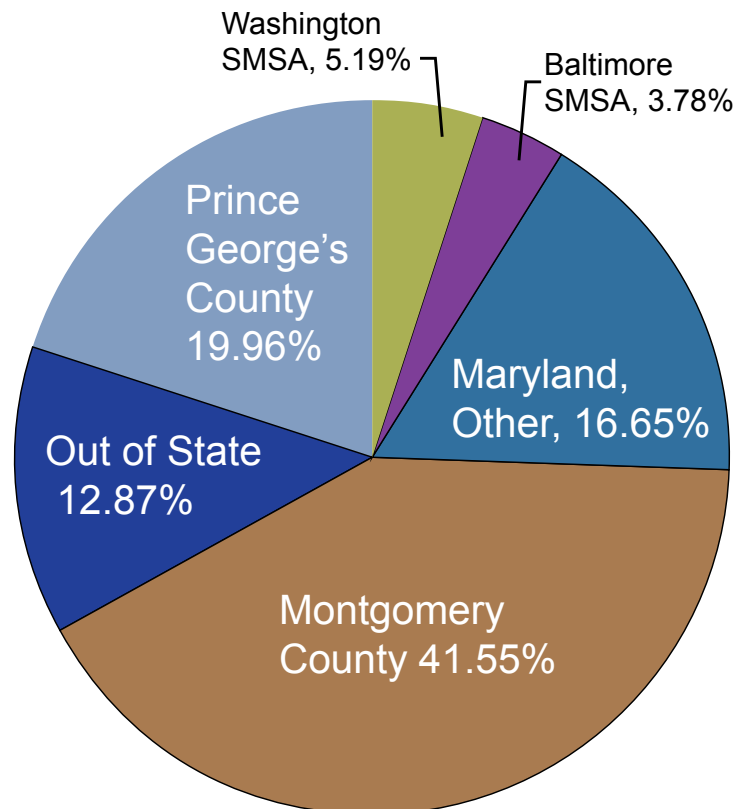


# Success Story: First-Time SLMBE Prime Awardees

The aspiration of the SLMBE Program is to support the growth and development of M/WBE and SLBE firms seeking to do business with WSSC. We are especially supportive of businesses awarded first-time contracts. The success in winning our business is an indicator of likely success in delivering the contracted goods and services and also provides evidence that these firms are building capacity to continue competing on WSSC contracts. We congratulate 58 of our first-time\* contract award recipients, and encourage each of these firms to grow their relationship with WSSC by delivering excellent service, teaming with other experienced primes and subs, and participating in the many supplier education programs offered each year through the WSSC Procurement and SLMBE Offices.

## First-Time SLMBE Prime Awardees by Location

Figure 19: First-Time SLMBE Prime Awards by Location during the period May 1, 2011 to June 30, 2015.



\*First-time awardees are considered vendors that have not been awarded a contract within the last five fiscal years.

For more information on our Success Stories, including First Time SLMBE Prime Awardees, please visit our website at: [www.wsscwater.com/SLMBE](http://www.wsscwater.com/SLMBE)

# Success Story: SLMBE + Solar Power = ECO-Green Diversity

A public-private partnership, including MBE firms Ideal Electric, CSI Engineering, BITH Energy, Shah Associates and RCS Construction Company is reducing WSSC's carbon footprint and saving ratepayers an estimated \$3.5 million over a 20 year contract period. Its success has led to a similar effort which will continue into FY 2016 and is expected to save WSSC — and our ratepayers — an additional \$4.8 million over the 20-year contract period.

To broaden its use of alternative energy, WSSC added 4 megawatts (MW) of solar photovoltaic power at its Seneca and Western Branch Wastewater Treatment Plants. WSSC had no out-of-pocket capital expenses. Moving into the second phase, the scope of services enabled WSSC to assign a 25 % MBE participation goal.

The Solar PhotoVoltaic (PV) Power Purchase Agreement (PPA) Contract achieved 30% indirect MBE payments during the first phase of this project: a significant achievement in a non-traditional area of business. WSSC's leadership and staff did not cede this opportunity to engage the SLMBE community in this nontraditional market place. The marketplace suppliers urged the Commission to lower its 20% MBE subcontracting requirement to 10% citing a lack of Ready, Willing and Able (RWA) MBE firms in our marketplace to support the contract-specific subcontracting requirement.

As a result, WSSC's SLMBE Office and Energy Manager did a great deal of research to identify potential subcontracting opportunities within the project's scope of work and reached out to the local/regional market for certified MBE firms and WSSC-approved SLBE firms. In order to support potential consultants for this project to identify, locate and meet RWA MBEs and SLBEs, WSSC hosted a special outreach event. As of May 2015 the Joint Venture of Standard Solar Inc./Washington Gas made payments to their diverse sub-team of \$9,424,109 or 30% of total payments.

Having our local MBEs/SLBEs engaged and utilized in this non-traditional area of business for WSSC was imperative because it helped MBEs/SLBEs increase their aptitude, capabilities and revenue stream in an energy business that would support the growth/scale of these local businesses in our community while also increasing their customer base and ability to compete in a national and global marketplace.

*"The development of this innovative partnership is a direct result of WSSC's leadership and the SLMBE Office challenging the market to do better in promoting eco-green supplier diversity opportunities.*

*Towanda Livingston,  
Director, SLMBE Office*



# Extensive Outreach

WSSC’s SLMBE Office continues to deliver an array of outreach and educational activities designed to facilitate suppliers bidding successfully on WSSC contracts. We also provide supplier advocacy resources to W/MBEs in both Montgomery and Prince George’s counties to assist suppliers in building capacity to enhance their competitiveness and effective networking with prime contractors.

## Outreach Tools

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

**Dedicated Mailbox** – The SLMBE Office maintains two mailboxes for customer feedback and correspondence.

**SLMBE Website** – for more information:

[www.wsscwater.com/SLMBE](http://www.wsscwater.com/SLMBE)

- SLMBE Mailbox customer services inquiries provide personalized communication with suppliers via: [slmbe@wsscwater.com](mailto:slmbe@wsscwater.com)
- Web-Based Compliance Mailbox – personalized for contract and compliance issues [wsscwebcompliance@wsscwater.com](mailto:wsscwebcompliance@wsscwater.com)

**Figure 20: FY 2015 SLMBE Outreach Efforts by Organization**

Organization Type	Number of Events
Chamber of Commerce	5
Non-Profit Organizations	3
Private Corporations	2
State and Local Government	7
WSSC Contract/Industry Specific Workshops	35
Capitol Region Minority Supplier Development Council	4
Womens’ President Education Organization & WBENC	5

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

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

**Figure 21: SLMBE Outreach Accomplishments**

ORGANIZATION	AWARD
MD Hispanic Business Conference	Bronze Supporter Appreciation
Women Business Owners of Prince George’s County	Recognition Award
Women’s Presidents’ Educational Organization (WPEO)	Recognition Award
Maryland Washington Minority Companies Association (MWMCA)	Recognition Award

# The Road Ahead

Since the inception of WSSC's Minority Business Enterprise (MBE) Program in 1978, WSSC 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.

Looking forward to FY 2016, WSSC's comprehensive supplier diversity strategy will focus on the following in order to meet FY 2016 goals:

Improve and Implement the following:

- Small Contract Rotation Program
- Mentoring Protégé Program
- Graduation of SLMBE Firms

## Moving Forward



In FY 2015, WSSC initiated 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, 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

For more information visit:

[www.wsscwater.com/disparitystudy](http://www.wsscwater.com/disparitystudy)

In FY 2016 WSSC's SLMBE Program/Office will continue to focus its efforts and resources on the following:

- 1) Completing the FY 2015 Disparity Study and modernize policies as needed;
- 2) Developing SLBE Program on-line application process
- 3) Developing and publishing an approved Graduation Process (Standard Procedure) for SLMBE Programs as codified in MBE SP 11-01 and SLBE SP 12-01
- 4) Developing a recognition program that acknowledges internal stakeholders and WSSC prime suppliers/vendors
- 5) Supporting MBE or SLBE subcontractors with building their capacity (or scale) to reach prime status with WSSC

*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.*

*-T.R. Livingston*



# 2015 WSSC Leadership

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## WSSC Board of Commissioners FY 2015



**Omar M. Boulware**  
*Chair*



**Adrienne A. Mandel**  
*Vice-Chair*



**Gene Counihan**



**Mary Hopkins-Navies**



**Chris Lawson**



**Dr. Roscoe M. Moore, Jr.**

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## General Manager/CEO



**Jerry N. Johnson**

# 2015 SLMBE Team

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**Towanda R. Livingston**  
*SLMBE Director*



**Beverly Perry**  
*Administrative Assistant III*



**Tracey Edwards**  
*Program Specialist*



**Lisa Malone**  
*Compliance Specialist*



**O. Dalila Perla**  
*Compliance Specialist*



**Guy Durant**  
*SLMBE Project Manager*

# 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 WSSC.

**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 WSSC 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)**—WSSC'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 WSSC'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, WSSC 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 WSSC 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

*The SLMBE Team wishes to thank the following who were instrumental in producing this FY15 SLMBE Results:*

## **Contributors/Editors, SLMBE Office**

Towanda Livingston, Director

Beverly Perry, Administrative Assistant III

Lisa Malone, Business Analyst

O. Dalila Perla, Compliance Specialist

Tracey Edwards, Program Specialist

Guy Durant, Project Manager

Linda Mann, Project Manager

Crystal Miller – Buyer III

Dexter Powell – Intern

Xixi Yuan – Intern

Steve Yang – Intern

Anuoluwa Akinbosotu – Intern

Fatima Key – Buyer I

Keya Green – Buyer I

Brittney Dorsey – Buyer I

Arica Toms – Buyer III

Junther Montoya – Buyer III

## **Contributors/Writers, WSSC**

Robert Taylor, Energy Manager

Carolyn White, Employee Development Manager

Todd Allen, Director, Human Resources

Lynda Dorman, Consultant

## **Technical Review, Strategic Systems**

### **Management Office**

Crystal Knight-Lee, Director

Tara Woods, Administrative Assistant III

F. Martin Rookard, Sr. Strategic Management Advisor

### **Production Support, Communications Office**

Amy Wilson, Graphics Design Specialist

Debbie Donnelly, Graphics Design Specialist

Ronald Williams, Photographer

Ayoka Blandford, Public Affairs Unit Coordinator

### **General Support Services**

Robert Young, Manager

Brenda Hammond, Reprographics Aide

William Rowe, Reprographics Specialist

### **General Counsel's Office**

Jerome Blask, General Counsel

### **Finance Office**

Janet Moskavich, Accountant III



# Special SLMBE Acknowledgement to Mr. Jerry N. Johnson, GM/CEO

On behalf of the SLMBE Office, we would like to say a special thank you to acknowledge the extraordinary leadership of Mr. Jerry N. Johnson. As a result of his efforts, WSSC's supplier base has become more diverse and inclusive during his tenure. He recognized the importance of WSSC being an economic driver for our local community, and he emphasized building relationships with our suppliers. Thank you, Mr. Johnson for your commitment to WSSC, our customers, and our diverse community.

## WSSC and Diversity: Differing Minds Produce Greater Results and Trust

In a world with a rapidly changing and more diverse workforce, acceptance of other's ideas, culture and mindsets in the WSSC workplace is more important than ever.

Supplier diversity is a value that must be embedded within the values of WSSC's team of professionals. We come from diverse backgrounds, cultures, mindsets and life experiences, and supplier diversity is supported by a paradigm that shifts today's contracting landscape and lifts the barriers of competition — barriers which are lowered through initiatives such as WSSC's MBE program. These programs rest on an underlying principal: we must ensure that fair and equitable business practices by all participants in the procurement and contracting process at WSSC is a shared and fundamental objective of our workforce.

This past year WSSC launched a new training program for our entire workforce, "Differing Minds Produce Greater Results and Trust." The training initiative is a critical link in attracting, and retaining a diverse and inclusive workforce and supplier market. Diversity: just the way we do business!









14501 Sweitzer Lane  
Laurel, MD 20707  
[www.wsscwater.com](http://www.wsscwater.com)  
301-206-8800



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