

# OFFICE OF SUPPLIER DIVERSITY & INCLUSION

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



## WSSC Water Commissioners



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



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



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



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



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



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

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

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

TABLE OF CONTENTS

Message from General Manager/CEO Carla A. Reid	Page 2
About WSSC Water	Page 3
FY 2020 Programs Performance Results	Page 4
MBE Program	4-10
SLBE Program	10-12
Fiscal Year 2021	Page 13

TABLE OF CONTENTS

## Message from General Manager and CEO Carla A. Reid

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



During Covid-19, WSSC Water's H<sub>2</sub>O heroes and essential workers provided hospitals, government agencies, first responders, front line workers and our customers with a critical component in fighting the spread of the Novel Coronavirus – access to clean water. But we didn't do it alone. Our diverse supplier community has been an integral part of our ability to fulfill this vital public-health need.

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

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

### Here are a few key accomplishments:

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Carla A. Reid'.

**Carla A. Reid**  
**General Manager/CEO**

# About WSSC Water

## Who We Are



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

## Mission

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

## Office of Supplier Diversity & Inclusion

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



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

# Fiscal Year 2020 Programs Performance Results

## Minority Business Enterprise (MBE) Program Results

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

### **Key Results:**

#### **MBE Payments**

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

### **Key Results:**

#### **MBE Awards**

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

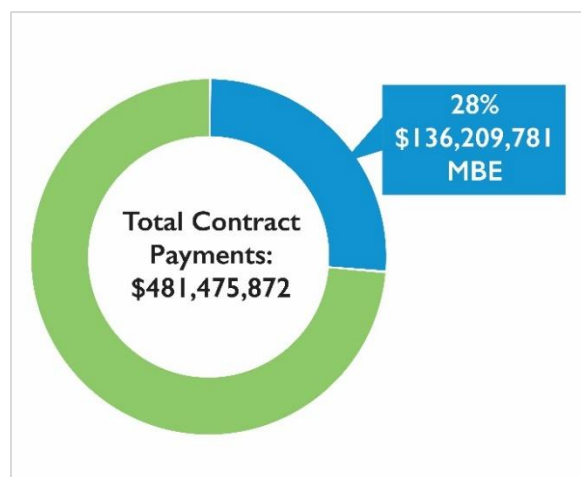


## Fiscal Year 2020 Contract Payments and Contract Awards

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

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

**Figure 1: FY 2020 MBE Contract Payments**



**Figure 2: FY 2019 MBE Contract Payments**



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

**Figure 3: FY 2020 MBE Contract Awards**



**Figure 4: FY 2019 MBE Contract Awards**



## MBE Contract Payments

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

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

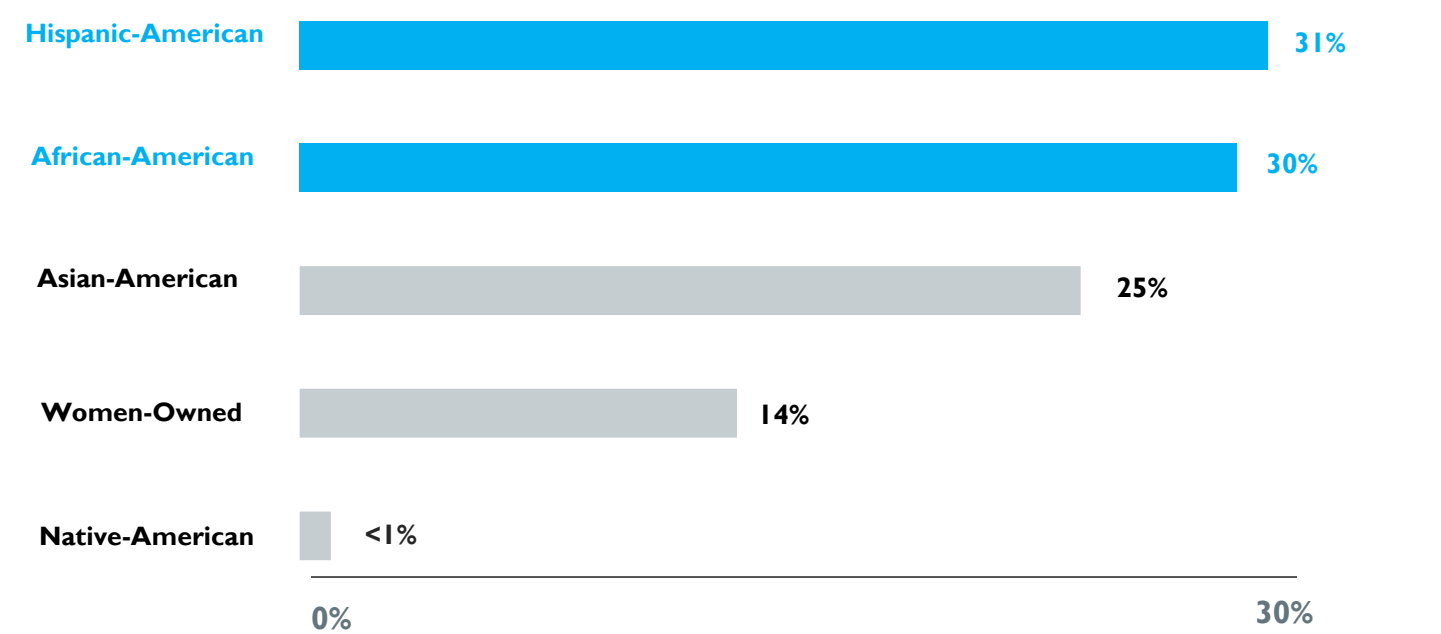
In FY 2020, WSSC Water met or exceeded the Aspirational Goals for each contracting area. Throughout the lifecycle of a contract, several variables influence the utilization of contractors, including change orders, contract scope changes, and the availability of the proposed project team.

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

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

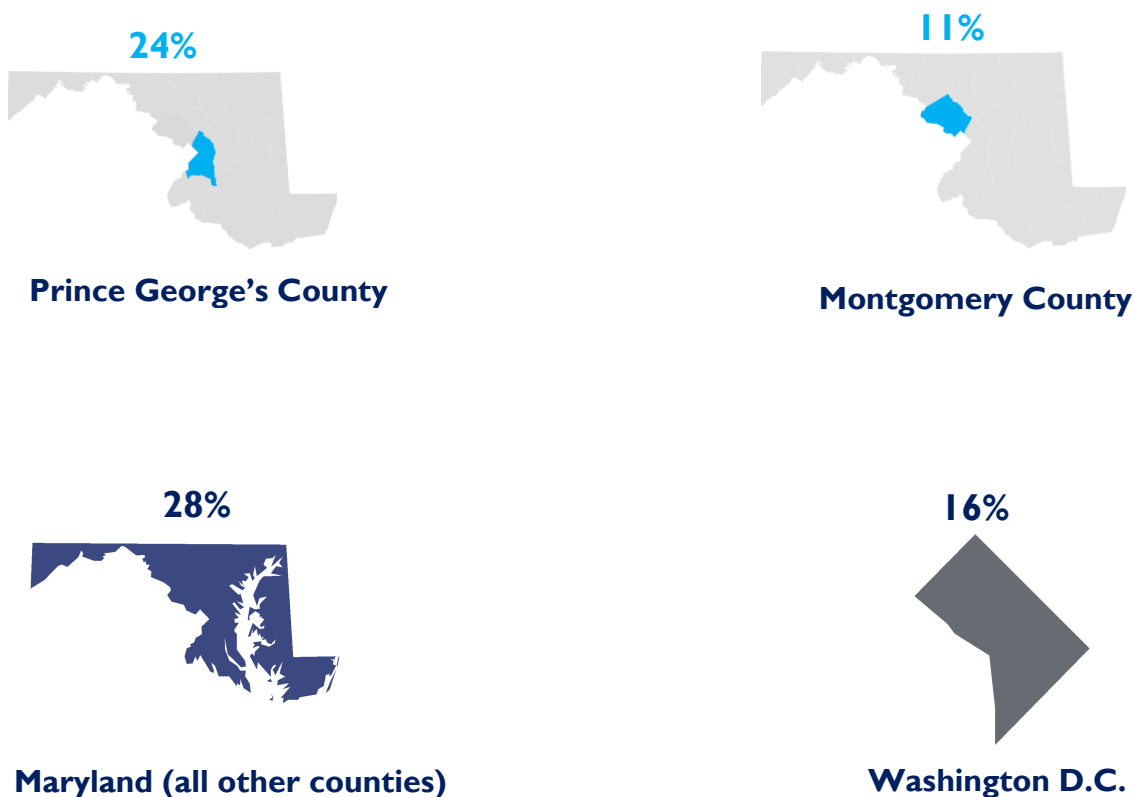
Figure 6 shows that Hispanic American and African American firms received the largest share of MBE contract payments at 31% and 30% respectively, followed by Asian American, Women-Owned and Native American firms.

Figure 6: MBE Contract Payments by Classification



### Figure 7: MBE Contract Payments by Location

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



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

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

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

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

## MBE Contract Awards

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

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

**Figure 9: MBE Contract Awards by Contracting Area**

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

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

**Figure 10: MBE Prime and Subcontractor Contract Awards**

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

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

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

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

## Small Local Business Enterprise (SLBE) Program Results

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

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

**Figure 12: FY 2020 SLBE Contract Payments**



**Figure 13: FY 2020 SLBE Contract Awards**



## SLBE Contract Payments

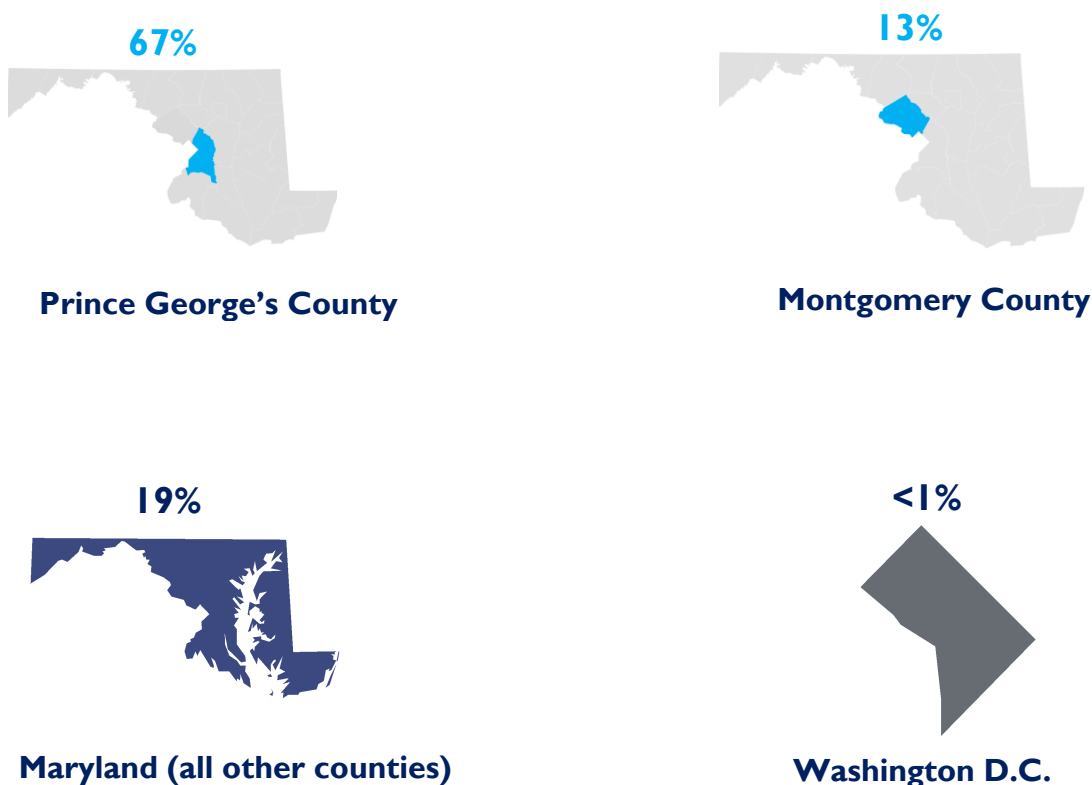
WSSC Water spent \$34 million as depicted in Figure 14, with more than \$27 million in the Construction Services contracting area.

**Figure 14: SLBE Contract Payments by Contracting Area**

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

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

**Figure 15: SLBE Contract Payments by Location**



## SLBE Contract Awards

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

**Figure 16: SLBE Contract Awards by Contracting Area**

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

# Fiscal Year 2021

## Our Commitment

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

### **Essential opportunities, essential access and essential training.**

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

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

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

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

Office of Supplier Diversity & Inclusion  
14501 Sweitzer Lane  
Laurel, Maryland 20707  
301-206-8800  
[www.wsscwater.com](http://www.wsscwater.com)



**WSSC**WATER  
DELIVERING THE ESSENTIAL