



FY 2017
OSDI
**OFFICE OF
SUPPLIER
DIVERSITY
& INCLUSION**
PROGRAMS'
PERFORMANCE
RESULTS REPORT

FY 2017: JULY 1, 2016 – JUNE 30, 2017



FY 2017 OFFICE OF SUPPLIER DIVERSITY & INCLUSION PROGRAMS' PERFORMANCE RESULTS REPORT

July 1, 2016 - June 30, 2017

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:

- the implementation and administration of the minority business enterprise programs under this subtitle for the fiscal year ending on the preceding June 30; and
- appropriate recommendations concerning the programs

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

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

OSDI Team Standing: Junther Montoya, Intern; LaCreshia Wood, Supplier Diversity Program Specialist; O. Dalila Perla, Supplier Diversity Compliance Specialist; Towanda R. Livingston, Director, OSDI; Brittany E. Gonzalez, Supplier Diversity Outreach Coordinator; Lisa Malone, Supplier Diversity Compliance Specialist. **Sitting:** Courtney Edmonds, Supplier Diversity Program Manager; Linda Mann, Supplier Diversity Project Manager; Tracey Edwards, Supplier Diversity Program Manager; Beverly Perry, Administrative Assistant III.

A LETTER FROM THE GENERAL MANAGER/CEO



At our core, WSSC is an organization that celebrates and promotes diversity and equity at every level of our organization. From our employee-driven Diversity Committee devoted to creating an atmosphere of inclusion, to our extensive efforts to promote supplier diversity and entrepreneurship through contracting opportunities, we live by our slogan: Diversity... just the way we do business! And business in Fiscal Year (FY) 2017 was very good for the small, local and minority-owned (SLBE and MBE) firms who work closely with us to provide safe, clean water to our 1.8 million customers.

It is my honor to present our FY 2017 Office of Supplier Diversity & Inclusion's (OSDI) Program Performance Results Report. Within these pages, we detail our commitment to creating family-supporting jobs through strategic investments in our water and wastewater infrastructure. As a result of our efforts, I am pleased to report that WSSC awarded contracts to 64 new firms last fiscal year with total contract awards of more than \$14 million. In total, WSSC made \$156.9 million in contract payments to minority- and women-owned firms in Fiscal Year 2017 (\$42 million more than in

Fiscal Year 2016). Total contract payments of \$56.2 million were made to small, local firms in Fiscal Year 2017 (\$25.2 million more than in Fiscal Year 2016).

Last fiscal year also marked the launch of our Business Investment and Growth Program, which is making a big difference in the communities we serve. WSSC is depositing \$12 million in participating community banks, and those deposits are leveraged two to one, creating \$24 million in available funding for loans to local businesses. Not only are these investments helping to generate jobs, but they also provide WSSC with a competitive rate of return on our deposits. Access to needed capital helps local businesses succeed, which in turn helps our local economy succeed.

The future continues to look bright for businesses working with WSSC to fulfill our clean water mission. Over the next six years (FY 2019-FY 2024), we plan to invest more than \$2 billion in capital projects designed to enhance operations and customer service by replacing aging infrastructure. This significant level of investment will create and sustain thousands of local jobs and generate a positive economic impact for Prince George's and Montgomery counties.

WSSC's vision is to become THE world-class water utility, where excellent products and services are always on tap. It is a vision we will achieve in large part through our commitment to diversity. Diversity isn't just about strength in numbers, it's also about strength of people. And with the strength of WSSC employees and programs, our vision will be realized.

Carla A. Reid
General Manager/CEO

MENSAJE DE LA DIRECTORA EJECUTIVA



En su esencia, WSSC es una organización que celebra y fomenta la diversidad y la equidad en todos sus niveles.

Desde nuestro Comité de Diversidad, liderado por empleados y dedicado a crear un ambiente inclusivo, hasta nuestros enorme esfuerzos para impulsar la diversidad y el espíritu empresarial a través de oportunidades de contratación, vivimos nuestro lema: ¡Diversidad... es simplemente la manera en que hacemos negocios! Y los negocios durante el año fiscal (FY) 2017 fueron sumamente buenos para las pequeñas empresas locales y empresas minoritarias (SLBE y MBE, por sus siglas en inglés) que trabajan en estrecha colaboración con nosotros para proporcionarle agua potable y pura a nuestros 1.8 millones de usuarios.

Es un honor para mi presentar nuestro Informe de Resultados de Rendimiento del Programa de la Oficina de Diversidad e Inclusión de Proveedores (OSDI) para el año fiscal 2017. En estas páginas detallamos nuestro compromiso de crear empleos que apoyen a las familias a través de inversiones estratégicas en nuestra infraestructura hídrica y de aguas residuales. Como resultado de nuestros esfuerzos, me complace informar que WSSC otorgó contratos por un total de más de \$14 millones a 64 empresas nuevas el pasado año fiscal. En total, la WSSC pagó \$156.9 millones en contratos de pago a empresas minoritarias -y empresas propiedad de mujeres- en el año fiscal 2017 (\$42 millones más que en el año fiscal 2016). Los pagos contractuales totales por \$56.2 millones se hicieron a pequeñas empresas

locales en el año fiscal 2017 (\$25.2 millones más que en el año fiscal 2016).

El último año fiscal también marcó el lanzamiento de nuestro Programa de Inversión y Crecimiento Empresarial, el cual está teniendo un importante efecto en las comunidades a las cuales servimos. WSSC está depositando \$12 millones en bancos comunitarios participantes, y dichos depósitos son potenciados de dos a uno, lo que ha generado \$24 millones en fondos disponibles para préstamos a empresas locales. Estas inversiones no solamente están contribuyendo a crear trabajos, sino que también le proporcionan a WSSC un índice de rentabilidad competitivo en sus depósitos. El acceso al capital necesario favorece el éxito de las empresas locales, lo que a la vez hace que la economía local prospere.

El futuro sigue siendo prometedor para las empresas que trabajan con WSSC en el cumplimiento de nuestra misión de proporcionar agua potable. Durante los próximos seis años (años fiscales 2019 a 2024), nuestro propósito es invertir más de \$2 mil millones en proyectos capital diseñados para mejorar nuestras operaciones y el servicio a nuestros clientes a través el reemplazo de infraestructura envejecida. Este importante nivel de inversión creará y mantendrá miles de empleos a nivel local y tendrá un impacto económico positivo en los condados de Prince George's y Montgomery.

El objetivo de WSSC es convertirse en LA EMPRESA de servicio de agua potable de primera categoría, que siempre proporciona excelentes productos y servicios.. Es una visión que alcanzaremos en gran parte por medio de nuestro compromiso con la diversidad. La diversidad no se trata solamente del poder de las multitudes, también se trata de la fortaleza de las personas. Y con la fortaleza de los empleados y de los programas de WSSC, nuestra visión se convertirá en una realidad

Carla A. Reid
Directora General/CEO

ABOUT WSSC



Thomas Street, Deputy General Manager for Administration, Towanda R. Livingston, Director, OSDI, David Malone, Chief Procurement Officer, Carla A. Reid, WSSC's GM/CEO

WE ARE WSSC, WHERE WATER MATTERS!

Currently among the largest water and wastewater utilities in the nation, WSSC's vision to be THE world-class utility, where excellent products and services are always on tap, is motivated by the communities it serves. The life-sustaining water and wastewater services that WSSC provides 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, seven days a week, WSSC has served the people of Prince George's and Montgomery counties.

WSSC's 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 its mission, WSSC maintains three (3) 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, food establishments, grease abatement, and much more. WSSC is proactively committed to replacing approximately sixty-one (61) miles of water mains each year, using innovative technology, like zinc-coated pipes, to extend the life of its water mains to more than one hundred (100) years.

Since WSSC's establishment in 1918, its drinking water has always met or exceeded federal standards. WSSC's demonstration of continued excellence is considerably due to its five (5) strategic priorities, which provide methods for achieving its mission and

ABOUT WSSC CONT.

vision. The strategic priorities are: a) Enhance Customer Experience and Community Engagement; b) Improve Infrastructure; c) Achieve Business Process Excellence and Maintain Financial Stability; d) Protect Our People, Infrastructure, Systems, and Resources; and e) Inspire Employee Engagement.

WSSC is governed by six (6) Commissioners with equal representation from Montgomery and Prince George's counties. WSSC's workforce of more than 1,700 employees demonstrates its commitment to diversity and inclusion in its recruiting and retention initiatives. WSSC's valued employees, whose dedication helps WSSC achieve the highest level of quality, are highly-trained professionals, who include meter reader administrators, engineers, accountants, laboratory technicians, environmental scientists, and the many other skilled and talented professionals it takes to run WSSC's modern agency.

SUPPORTING SUPPLIER DIVERSITY AND EXCELLENCE AT WSSC

WSSC provides quality water and wastewater services to the local communities with the assistance and expertise of WSSC's many diverse suppliers in alignment and support of our strategic priorities of achieving business process excellence and maintaining financial stability. The budget for FY 2017 included \$736.4 million for operating expenses and \$690.3 million in capital expenditures. From "paperclips to pipe," WSSC purchases every item needed and all of the services required to operate a major utility company. The Minority Business Enterprise (MBE) and Small Local Business Enterprise (SLBE) Programs administered by the Office of Supplier Diversity & Inclusion (OSDI) support WSSC in ensuring that diverse and small local businesses are included and provide value at every level of its supply chain. WSSC has invested in its MBE and SLBE Programs to engage and empower its diverse supplier community. Creating strategic partnerships that are positioned to bring and sustain value-added goods and services yields cost savings for WSSC and the communities they serve.

WSSC's 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.

ABOUT WSSC'S

OFFICE OF SUPPLIER DIVERSITY & INCLUSION (OSDI)

Supplier Diversity is a carefully planned strategy that keeps on giving. Since 1978, WSSC has demonstrated a strong commitment to empowering minority and women-owned businesses through its contracting opportunities. WSSC's OSDI effectively advocates for MBE participation in WSSC's contracting opportunities via various preferences such as: contract-specific subcontracting requirements, price preferences, and the Optimization of Diverse Business Development Program ("ODBDP" – formerly Sheltered Market Program) opportunities.

In 2001, WSSC's OSDI established its signature SLBE Program to ensure the inclusion of small local firms located in the great Prince George's and Montgomery counties in its contracting opportunities.

Today, the OSDI has embedded into WSSC's culture the significant value that *"diversity is just the way we do business!"* The ultimate goal of the OSDI is to re-engineer the 'playing field' for public contracts for diverse suppliers, and to ensure fair and equal access in WSSC's contracting opportunities.

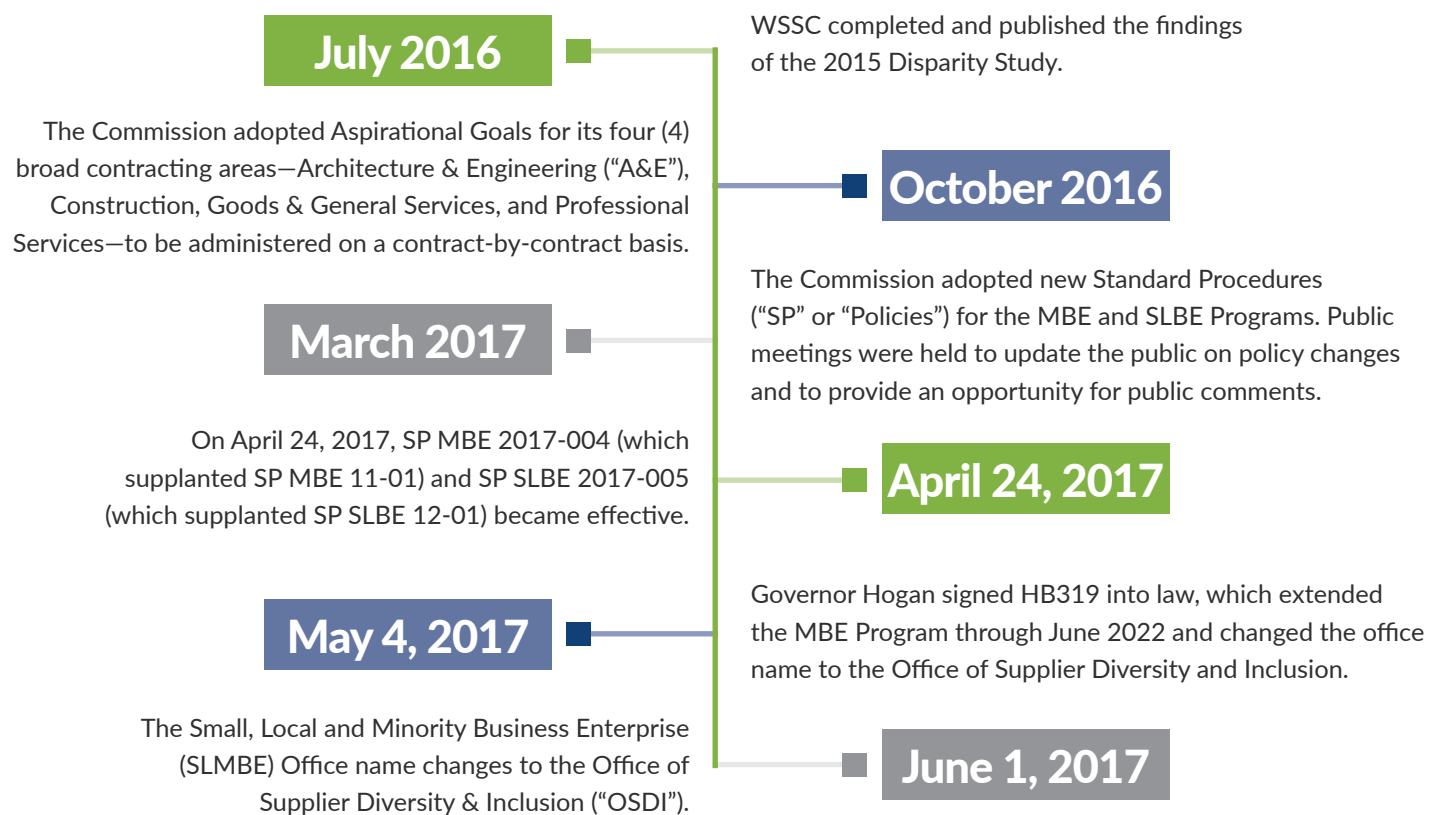
Joe Mantua, Deputy General Manager for Operations, Towanda R. Livingston, Director, OSDI and Commissioner Thomasina V. Rogers, Chair, WSSC.



ABOUT WSSC'S MBE AND SLBE PROGRAMS

WSSC's MBE Program was scheduled to sunset on July 1, 2017. This fact set in motion several actions on the part of the Commission and the (then) Small Local, and Minority Business Enterprise (SLMBE) Office. A 2015 Disparity Study conducted for WSSC by MGT of America, provided the basis or "factual

predicate" to continue WSSC's MBE Program. The Study, which examined total contract payments and awards for Fiscal Years 2010 through 2014, also identified an existing disparity of utilization among several participating groups.



ABOUT WSSC'S MBE AND SLBE PROGRAMS CONT.

OSDI STRATEGY

The purpose of the OSDI is to ensure that WSSC has a vendor base that is reflective of the community it serves and contributes to the economic well-being of the community in which it resides. The OSDI administers WSSC's MBE and SLBE Programs by setting contract-specific goals and determining appropriate contracting opportunities for placement in WSSC's Optimization of Diverse Business Development Program (ODBDP). The OSDI 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 OSDI recognizes that partnering for success, building relationships, and providing excellent customer service is paramount. The OSDI delivers on its Four Pillars of Excellence: **Supplier Advocacy, Compliance, Extensive Outreach, and Supplier Development**. Embedded into WSSC's contracting practices are an extensive network of supporting organizations, fully complemented by an exceptional staff, making *diversity just the way we do business!*

OSDI MISSION STATEMENT

The Office of Supplier Diversity & Inclusion 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 communities it serves.

EXECUTIVE SUMMARY

Former WSSC Commissioner Manuel Geraldo, The Honorable Rushern L. Baker III, County Executive Prince George's County, Carla A. Reid, GM/CEO, WSSC and The Honorable Isiah "Ike" Leggett, County Executive Montgomery County, and WSSC Commissioner Fausto Bayonet during MaCo, August 2016



During the past decade, WSSC has awarded more than \$1 billion in total contract awards to Minority Business Enterprise (MBE) and Small Local Business Enterprise (SLBE) firms. WSSC's mandate each year is to determine and implement new strategies to build on this record. WSSC recognizes that MBE and SLBE firms help provide ideas and perspectives reflective of the diverse marketplace and communities it serves. WSSC sees the diverse suppliers and small businesses as assets ripe for developing and growing into strategic long-term partners. WSSC is devoted to sustaining the level of service excellence and the local economies. WSSC has invested in its MBE and SLBE Programs, which are administered by the OSDI. The MBE and SLBE Programs continue to provide WSSC contracting opportunities to prime contractors, subcontractors, diverse firms and small businesses. WSSC's MBE and SLBE Programs have created many win-win solutions for WSSC and the 1.8 million residents, to whom it proudly provides water and wastewater services.

WSSC maintains its commitment to the success of MBE and SLBE firms. The Commission continues its

work to re-engineer the competitive public contracting field for Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), WSSC-Approved Small Local Business Enterprises (SLBEs) and WSSC-Approved Small and Local Service-Disabled Veterans' firms (SLBE-SDVs) in Montgomery and Prince George's counties and the surrounding metropolitan area. This report will highlight the successes and achievements of the OSDI as well as summarize the accomplishments of WSSC's MBE and SLBE Programs in Fiscal Year (FY) 2017.

MINORITY BUSINESS ENTERPRISE (MBE) PROGRAM

The MBE Program was established to mitigate barriers to contracting opportunities for MBE primes and subcontractors. The Program is designed to promote greater availability, contract participation, and capacity development by MBEs, WBEs, and DBEs in WSSC's contracts.

The cornerstone of the MBE Program and key performance measure is the dollar value of total contract payments made to MBEs. In alignment with

EXECUTIVE SUMMARY CONT.

the goals of the MBE Program, WSSC continues to implement strategies to increase total contract payments to value-driven MBEs each fiscal year, based on the Disparity Study.

On March 15, 2017, WSSC approved Standard Procedure MBE 2017-004, which supplanted SP MBE 11-01.

In FY 2017, WSSC spent \$156.9 million (27%) in total contract payments to M/WBEs (Figure 1) as compared to \$114.8 million (20%) in total contract payments made in FY 2016 (Figure 2).

MBE TOTAL CONTRACT PAYMENTS

FIGURE 1: FY 2017 M/WBE TOTAL CONTRACT PAYMENTS

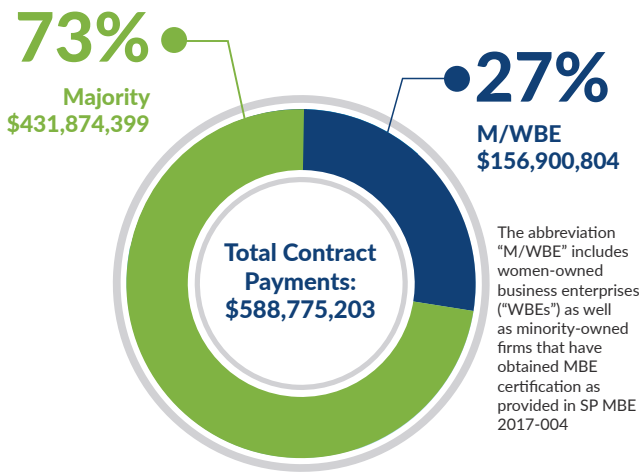
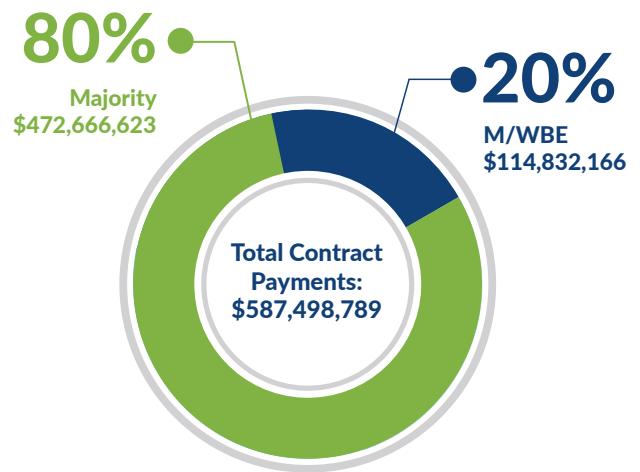


FIGURE 2: FY 2016 M/WBE TOTAL CONTRACT PAYMENTS



MBE TOTAL CONTRACT AWARDS

In FY 2017, WSSC made \$236.1 million (37%) in total contract awards to MBE firms (Figure 3) as compared to nearly \$151 million (27%) in FY 2016 (Figure 4).

FIGURE 3: FY 2017 M/WBE TOTAL CONTRACT AWARDS

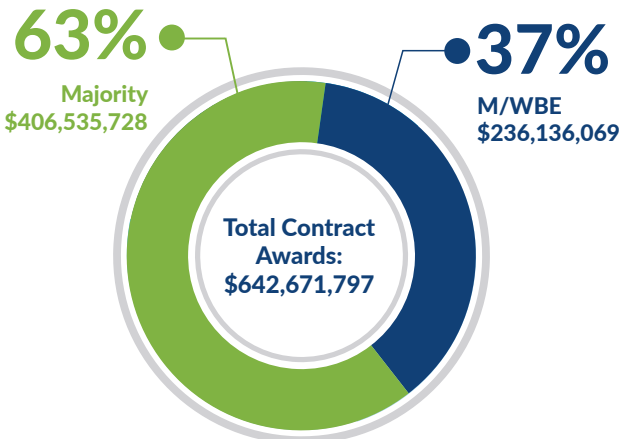
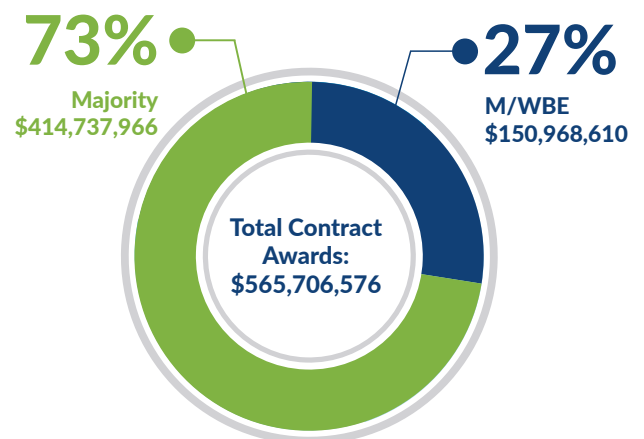


FIGURE 4: FY 2016 M/WBE TOTAL CONTRACT AWARDS



EXECUTIVE SUMMARY CONT.

SMALL LOCAL BUSINESS ENTERPRISE (SLBE) PROGRAM

The SLBE Program is intended to provide an additional race- and gender-neutral tool for the Commission to use in its efforts to ensure that all segments of its local business community have a reasonable and significant opportunity to participate in WSSC's contracting opportunities. As a race- and gender-neutral program, WSSC's signature SLBE Program continues to demonstrate value to the local economy. Spending with WSSC-Approved SLBE firms increased again in FY 2017. The SLBE Program furthers the WSSC's objective of fostering broad-based competition within the vendor community.

On March 15, 2017, WSSC approved Standard Procedure SLBE 2017-005, which supplanted SP SLBE 12-01.

Total contract payments made to WSSC-Approved SLBE firms, inclusive of prime contractors and validated contract payments of subcontractors in FY 2017, was \$56.2 million, a \$25.2 million increase compared to FY 2016 SLBE total contract payments of \$31 million.

Total contract awards made to WSSC-Approved SLBE firms in FY 2017 was \$53 million, an \$8.3 million increase compared to FY 2016 SLBE total contract awards of \$44.7 million.

FIGURE 5: FY 2017 SLBE TOTAL CONTRACT PAYMENTS

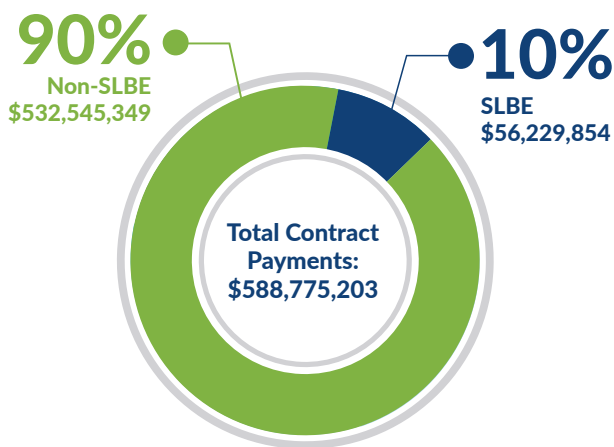
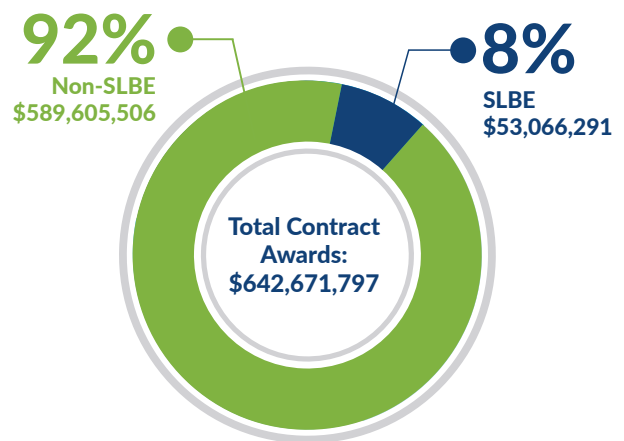


FIGURE 6: FY 2017 SLBE TOTAL CONTRACT AWARDS



EXECUTIVE SUMMARY CONT.

OSDI - EXTENSIVE OUTREACH

OSDI continues to cultivate and expand relationships with the business community and professional and trade organizations. OSDI's extensive outreach efforts are targeted to prepare the market and develop the base of diverse suppliers needed to support WSSC's supply chain. These efforts include:

- Hosting, attending, and participating in 133 total outreach events: forty-seven (47) internal; eighty-six (86) external;
- Among the events were business and procurement fairs, trade shows, business matchmaking, and networking events;
- Providing contracting opportunities and information via targeted outreach events;
- Registering 837 suppliers of which 392 were MBEs, 140 were WSSC-Approved SLBEs, and 68 were a combination of MBEs and SLBEs in WSSC's

- Supplier Portal System as of June 30, 2017; and
- Hosting business development clinics in one-on-one and/or group forums to help suppliers seeking to participate in WSSC's MBE and SLBE Programs.

OSDI's extensive outreach has shifted from a focus on meeting tactical Supplier Diversity goals, such as spending targets and/or metrics, to more strategic goals that focus on developing the skills and financial stability of WSSC's MBE and SLBE firms. These outreach events were designed to be mutually beneficial for WSSC and the local economy by developing a diverse supplier base to support WSSC's supply chain needs and, in turn, stimulate the local economies. In FY 2017, WSSC hosted its Access to Capital, Bonding & Insurance event, which highlighted WSSC's Business Investment and Growth (BIG) Program. WSSC's performance in FY 2017 demonstrates its commitment to the success of the MBE and SLBE Programs and the local economic well-being of Prince George's and Montgomery counties.

"At our core, WSSC is an organization that celebrates and promotes diversity and equity at every level of our organization."

CARLA A. REID, GM/CEO, WSSC



Leidi Reyes, WSSC Procurement Office's SLMBE Support Manager, assisting a vendor during WSSC's "How To Do Business" Event.

RESUMEN EJECUTIVO

El Ex-Comisionado de la WSSC, Manuel Geraldo, el Honorable Rushern L. Baker III, del Condado de Prince George, Carla A. Reid, Directora Ejecutiva de la WSSC y El Honorable Isiah "Ike" Leggett, Ejecutivo del Condado de Montgomery, y el Comisionado de la WSSC Fausto Bayonet durante MaCo, agosto de 2016.



Durante la última década, la Comisión Sanitaria Suburbana de Washington (Washington Sanitary Suburban Commission o WSSC, por sus siglas en inglés) ha adjudicado más de mil millones de dólares en contratos a empresas minoritarias (MBE) y a pequeñas empresas locales (SLBE). Cada año, la WSSC tiene como mandato instituir y poner en marcha nuevas estrategias para seguir consolidando este historial. La WSSC reconoce que las empresas MBE y SLBE aportan ideas y perspectivas que reflejan la diversidad del mercado y de las comunidades a las cuales sirven. WSSC considera a los diferentes proveedores y a los pequeños negocios como recursos preparados para desarrollarse y convertirse en socios estratégicos a largo plazo. La WSSC se ha dedicado a mantener el nivel de excelencia en el servicio y a apoyar a las economías locales. La WSSC ha invertido en los programas MBE y SLBE –administrados por la Oficina de Diversidad e Inclusión de Proveedores (OSDI)– que buscan proporcionar oportunidades para contratistas principales o subcontratistas y para compañías diversas y pequeñas empresas. Los programas MBE y SLBE han generado numerosas soluciones mutuamente benéficas para la WSSC y para los 1.8 millones de usuarios a quienes ésta proporciona servicios de agua potable y de aguas residuales.

La WSSC mantiene su compromiso con el éxito de las empresas MBE y SLBE. La Comisión continúa con su labor de reestructuración del competitivo sector de contrataciones públicas para pequeñas empresas minoritarias (MBE), empresas propiedad de mujeres (WBE), pequeñas empresas locales (SLBE) y empresas pequeñas y locales de propiedad de veteranos discapacitados (SLBE-SDV) aprobadas por la WSSC en los condados de Montgomery y Prince George's y en el área metropolitana que los rodea. Este informe destacará los éxitos y los logros de la OSDI y además resumirá los resultados alcanzados por los programas MBE y SLBE de la WSSC durante el año fiscal (FY) 2017.

PROGRAMA PARA EMPRESAS MINORITARIAS (MBE)

El programa MBE se creó con el propósito de reducir las barreras en las oportunidades de contratación para las empresas de propiedad de minorías en calidad de contratistas principales o de subcontratistas. El programa está diseñado para fomentar una mayor disponibilidad, participación en la contratación y el desarrollo de las capacidades de empresas MBE, WBE y DBE en los contratos de la WSSC.

El pilar del programa MBE y el principal indicador de su rendimiento es el valor en dólares del total de los pagos contractuales hechos a empresas minoritarias.

RESUMEN EJECUTIVO CONT.

En consonancia con las metas del programa MBE, cada año fiscal la WSSC ejecuta estrategias para aumentar los pagos contractuales totales a empresas minoritarias orientadas hacia los valores, basándose en el Estudio de Disparidades.

El 15 de marzo de 2017, WSSC aprobó el Procedimiento Estándar MBE 2017-004, que

reemplazó al SP MBE 11-01.

En el año fiscal 2017, la WSSC invirtió \$156.9 millones (27%) en pagos contractuales totales a empresas propiedad de mujeres y de minorías (M/WBE) (Gráfico 1) comparado con \$114.8 millones (20%) en pagos contractuales totales hechos durante el año fiscal 2016 (Gráfico 2).

PAGOS CONTRACTUALES TOTALES A EMPRESAS MINORITARIAS (MBE)

GRÁFICO 1: PAGOS CONTRACTUALES TOTALES A EMPRESAS DE PROPIEDAD DE MUJERES Y MINORITARIAS (M/WBE) EN 2017

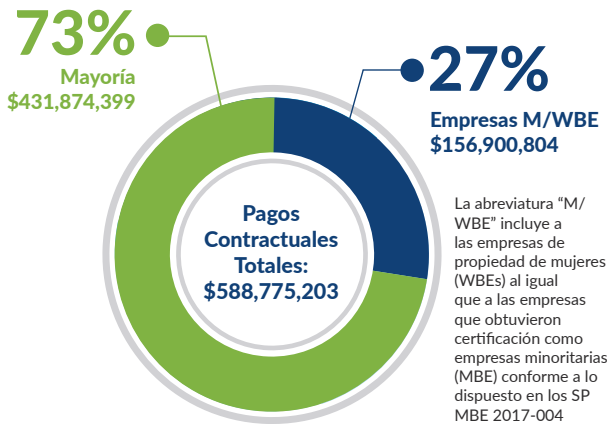
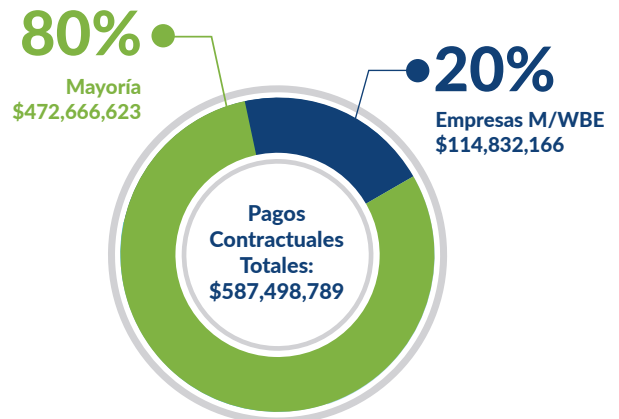


GRÁFICO 2: PAGOS CONTRACTUALES TOTALES A EMPRESAS DE PROPIEDAD DE MUJERES Y MINORITARIAS (M/WBE) EN 2016



TOTAL DE CONTRATOS ADJUDICADOS A EMPRESAS MINORITARIAS (MBE)

En el año fiscal 2017, WSSC adjudicó contratos a empresas minoritarias (Gráfico 3) por un valor

total de \$236.1 millones (37%) comparado con aproximadamente \$151 millones (27%) en el año fiscal 2016 (Gráfico 4).

GRÁFICO 3: TOTAL DE CONTRATOS ADJUDICADOS A EMPRESAS DE PROPIEDAD DE MUJERES Y MINORITARIAS (M/WBE) EN 2017

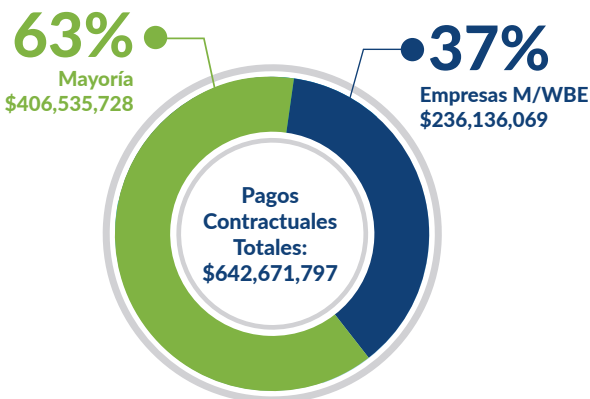
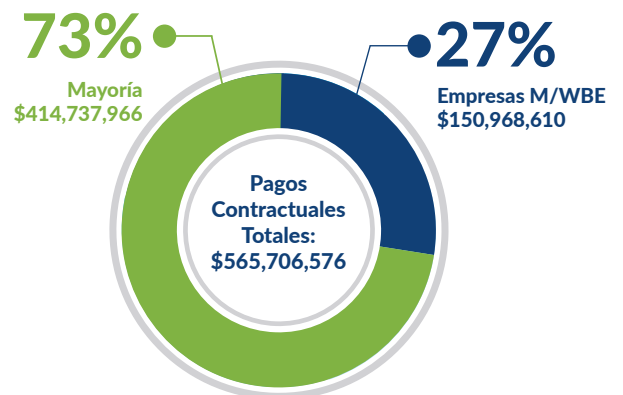


GRÁFICO 4: TOTAL DE CONTRATOS ADJUDICADOS A EMPRESAS DE PROPIEDAD DE MUJERES Y MINORITARIAS (M/WBE) EN 2016



RESUMEN EJECUTIVO CONT.

PROGRAMA PARA PEQUEÑAS EMPRESAS LOCALES (SLBE)

El programa SLBE fue concebido como una herramienta adicional y neutral en materia de género y raza para ser empleado por la Comisión en sus esfuerzos por garantizar que todos los sectores de su comunidad empresarial local puedan participar, de manera razonable y significativa, en las oportunidades de contratación con la WSSC. En su calidad de programa neutral en cuanto a raza y género, el programa SLBE, iniciativa insignia de la WSSC, continúa demostrando su importancia para la economía local. La inversión en pequeñas empresas locales aprobadas por la WSSC aumentó de nuevo durante el año fiscal FY 2017. El programa SLBE promueve el objetivo de la WSSC de fomentar una mayor competencia entre la comunidad de proveedores.

El 15 de marzo de 2017, la WSSC aprobó el procedimiento estándar SP SLBE 2017-005, que reemplaza al SP SLBE 12-01.

En el año fiscal 2017, los pagos contractuales totales efectuados a SLBE aprobadas por la WSSC, incluyendo a contratistas principales y pagos contractuales validados para subcontratistas- sumaron \$56.2 millones, un aumento de \$25.2 millones comparado con los pagos contractuales totales hechos en el año fiscal 2016 a empresas SLBE por \$31 millones.

En el año fiscal 2017, se adjudicaron contratos a empresas SLBE aprobadas por la WSSC por un total de \$53 millones, un incremento de \$8.3 millones comparado con el total de contratos adjudicados a empresas SLBE en el año fiscal 2016, que fue de \$44.7 millones.

GRÁFICO 5: PAGOS CONTRACTUALES TOTALES A PEQUEÑAS EMPRESAS LOCALES (SLBE)

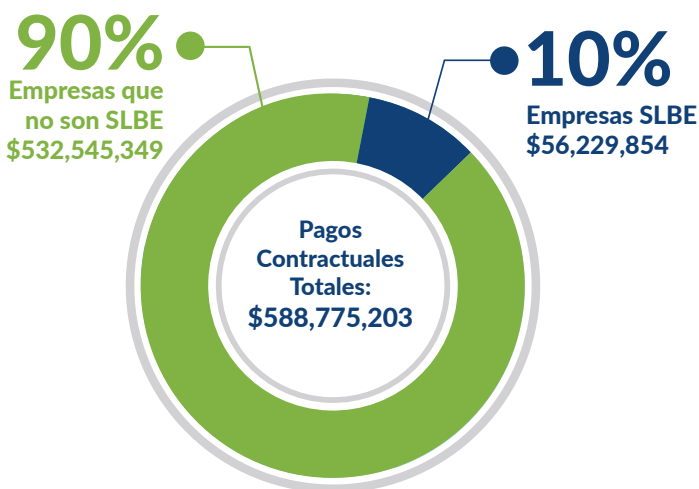


GRÁFICO 6: TOTAL DE CONTRATOS ADJUDICADOS A PEQUEÑAS EMPRESAS LOCALES (SLBE)



RESUMEN EJECUTIVO CONT.

IMPORTANTES ESFUERZOS DE DIVULGACIÓN POR PARTE DE LA OSDI

La Oficina de Diversidad e Inclusión de Proveedores (OSDI) continúa cultivando y ampliando sus relaciones con la comunidad empresarial y las organizaciones profesionales y de comercio. La extensa labor de divulgación realizada por la OSDI está enfocada en preparar al mercado y construir una base de diversos proveedores necesarios para mantener la cadena de suministro de la WSSC. Esta labor de divulgación incluye:

- Organizar, asistir y participar en 133 actividades de divulgación: cuarenta y siete (47) internas; ochenta y seis (86) externas;
- Dichas actividades incluyeron ferias empresariales y de contratación, ferias comerciales, eventos para establecer vínculos comerciales (business matchmaking) y eventos para establecer redes de contacto (networking);
- Proporcionar oportunidades contractuales e información mediante actividades de divulgación selectivas;
- Al 30 de junio de 2017, registrar a través del Portal de Proveedores de la WSSC a 837 proveedores de los cuales 392 eran MBE, 140 eran SLBE aprobadas

por la Comisión y 68 eran una combinación de MBE y SLBE; y

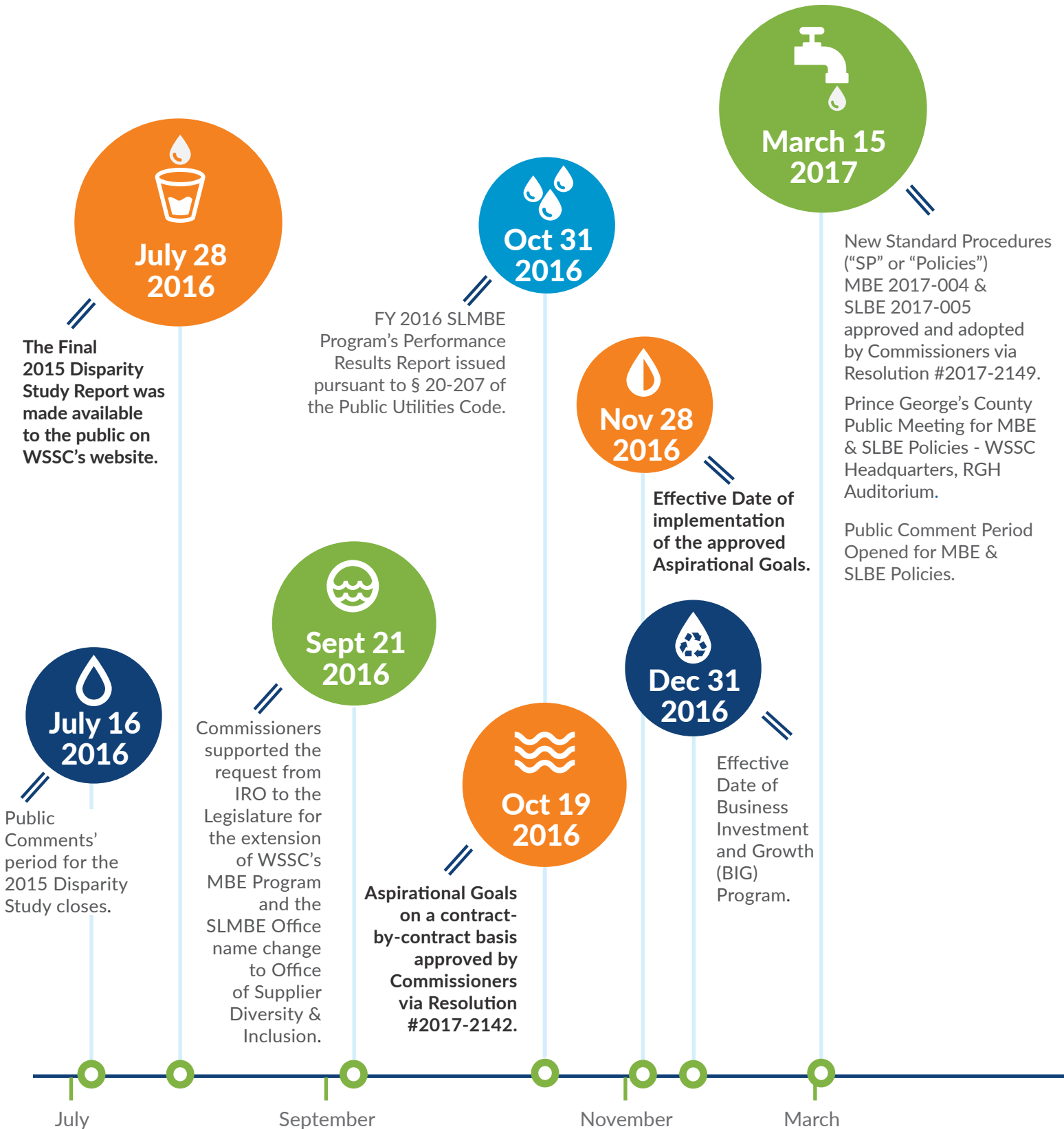
- Organizar talleres de desarrollo empresarial en foros individuales o en grupo para ayudar a los proveedores que buscan participar en los programas MBE y SLBE de la WSSC.

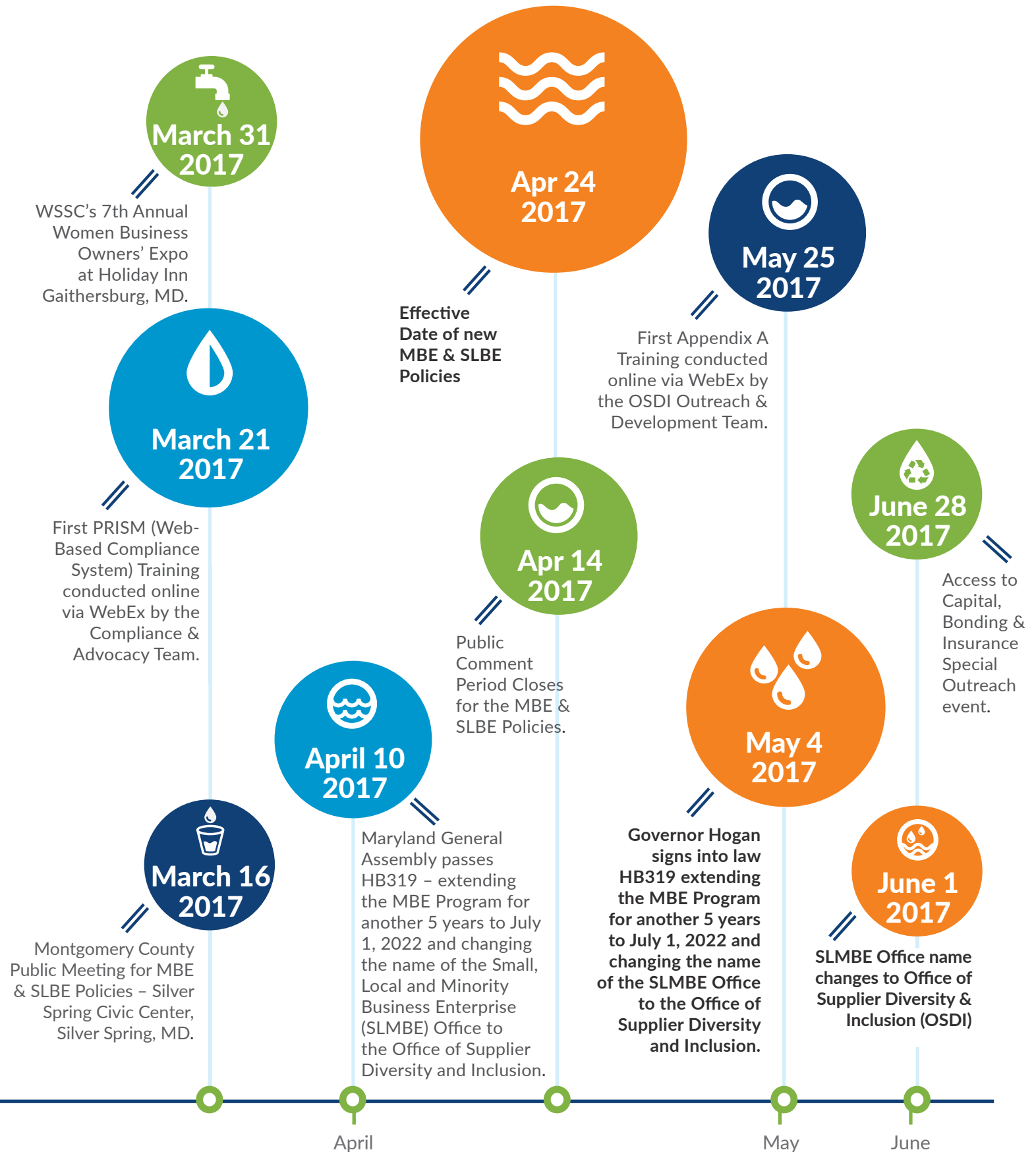
Los sustanciales esfuerzos de divulgación de la OSDI han cambiado de un enfoque en el cumplimiento de metas tácticas en lo referente a la diversidad de proveedores, por ejemplo, en metas y/o medición en materia de gastos, a logros más estratégicos orientados al desarrollo de las capacidades y la estabilidad financiera de las empresas MBE y SLBE que trabajan con la WSSC. Estas actividades fueron diseñadas para ser mutuamente beneficiosas, tanto para la Comisión como para la economía local, mediante la creación de una base diversa de proveedores que respondan a las necesidades de la cadena de suministro de la WSSC y, a su vez, estimulen las economías locales. Durante el año fiscal 2017, la WSSC llevó a cabo su evento "Acceso a capital, garantías y seguros" (Access to Capital, Bonding & Insurance), durante el cual destacó su programa de Inversión Empresarial y Crecimiento (Business Investment and Growth - BIG). El desempeño de la WSSC en el año fiscal 2017 demuestra su compromiso con el éxito de los programas MBE y SLBE y con el bienestar económico local de los condados de Prince George's y Montgomery.



Leidi Reyes, Gerente de Apoyo para pequeñas empresas locales (SLMBE por sus siglas en inglés) de la Oficina de Contratación de la WSSC, asistiendo a un proveedor durante el evento "Como Hacer Negocios" organizado por la WSSC.

OSDI MILESTONES & HIGHLIGHTS





FY 2017 PERFORMANCE RESULTS

MBE PROGRAM

SUMMARY: FY 2017 TOTAL CONTRACT PAYMENTS AND TOTAL CONTRACT AWARDS

For the purpose of the FY 2017 OSDI Programs' Performance Results Report, WSSC's total contract payments and total contract awards are based on the service areas of Prince George's and Montgomery counties, the Baltimore and Washington Standard Metropolitan Statistical Area (SMSA), other surrounding communities/counties in Maryland, and some out-of-state cities and counties.

The following pages provide the summary of total contract payments and total contract awards for FY 2017. It is WSSC's intent to provide data that is

accurate and complete in support of the program objectives. The success of the MBE and SLBE Programs relies on the integrity of its data.

MBE PROGRAM: DATA AND METRICS

MBE total contract awards serve as a leading indicator for WSSC's MBE contract performance. Actual contract payments to MBE firms measure the meaningful success of the MBE Program. The following figures provide the summary of MBE total contract payments.



Towanda R. Livingston, Director, OSDI (center) seen here with some OSDI team members and attendees during the September 2016 Power Conference.

Towanda Livingston
WSSC

FY 2017 PERFORMANCE RESULTS

MBE PROGRAM CONT.

TOTAL CONTRACT PAYMENTS

Contract payments serve as a lagging indicator as a result of the total contract awards. In FY 2017, WSSC's total contract payments amounted to \$588.7 million while the MBE total contract payments amounted to \$156.9 million, (or 27%) shown in Figure 7.

The total contract payments to MBEs represent a thirty-six percent (36% or \$42 million more) increase in total contract payments from FY 2016 to FY 2017. WSSC's total contract payments are delineated by the four (4) broad contracting areas of—Architecture and Engineering; Construction; Goods and Services; and Professional Services. Throughout the lifecycle of a contract, a number of variables will influence the utilization of contractors, including: change orders, contract scope changes, and the availability of the proposed project team.

WSSC established MBE Aspirational Goals for the four (4) broad contracting areas to help ensure that WSSC remains on target with total contract awards and total contract payments by contract area—the leading indicator of future MBE results. Additionally, the Commission increased its efforts to devote resources to the management of compliance activities across the organization, specifically the Contracting Officer Representatives and Administrative Contract Managers. Finally, the OSDI is focused on four (4) key areas for compliance efforts—education and awareness, prevention, enforcement, and smart intervention. The increased focus of the Commission on compliance activities will specifically have a direct impact on the future total contract payments to MBE firms.

FIGURE 7: SUMMARY OF TOTAL CONTRACT PAYMENTS BY WSSC CONTRACTING AREA

CONTRACTING AREA	M/WBE PAYMENTS	M/WBE PERCENT	ASPIRATIONAL GOALS	MBE PRIME PAYMENTS	WBE PRIME PAYMENTS	M/WBE SUB PAYMENTS*	MAJORITY PAYMENTS	TOTAL CONTRACT PAYMENTS
A&E Services	\$14,649,245	30%	24%	\$3,861,847	\$0	\$10,787,398	\$34,116,001	\$48,765,246
Construction Services	\$77,580,953	23%	13%	\$62,212,510	\$0	\$15,368,443	\$263,702,028	\$341,282,981
Goods & Services	\$42,106,734	30%	33%	\$25,603,944	\$8,655,249	\$7,847,541	\$97,259,516	\$139,366,250
Professional Services	\$22,563,872	38%	23%	\$14,008,253	\$5,180,965	\$3,374,654	\$36,796,854	\$59,360,726
	\$156,900,804	27%		\$105,686,554	\$13,836,214	\$37,378,036	\$431,874,399	\$588,775,203

* Subcontractor Payments are included in the Total M/WBE Payments

FY 2017 PERFORMANCE RESULTS

MBE PROGRAM CONT.

Figure 8 shows total contract payments by business classification. Hispanic-American firms received the largest share of total contract payments— \$55.9 million (35%). African-American firms received \$41.2 million (26%) in total contract payments and Asian-American firms received \$39.1 million (25%) in total contract payments. One percent (1%) of total contract payments went to firms classified as “Other” (e.g. firms classified as Disabled, or Disabled Veterans).

FIGURE 8: M/WBE TOTAL CONTRACT PAYMENTS BY BUSINESS CLASSIFICATION

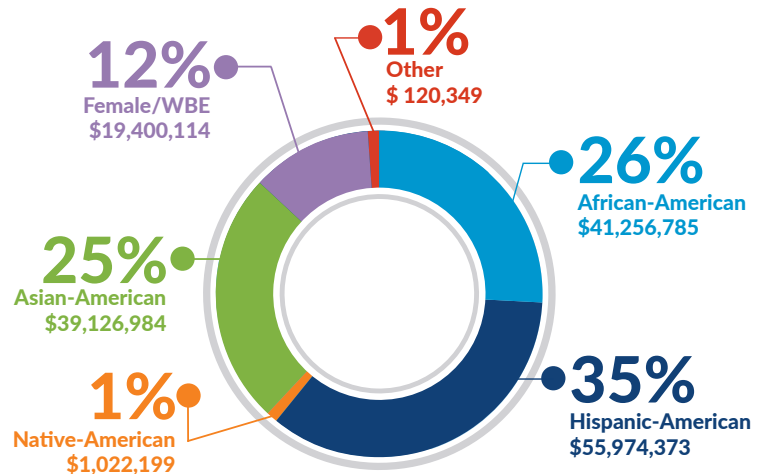


Figure 8 summarizes the \$156.9 million in total contract payments made to MBE firms. Percentages have been rounded to the nearest whole percentage.

FIGURE 9: M/WBE TOTAL CONTRACT PAYMENTS BY LOCATION

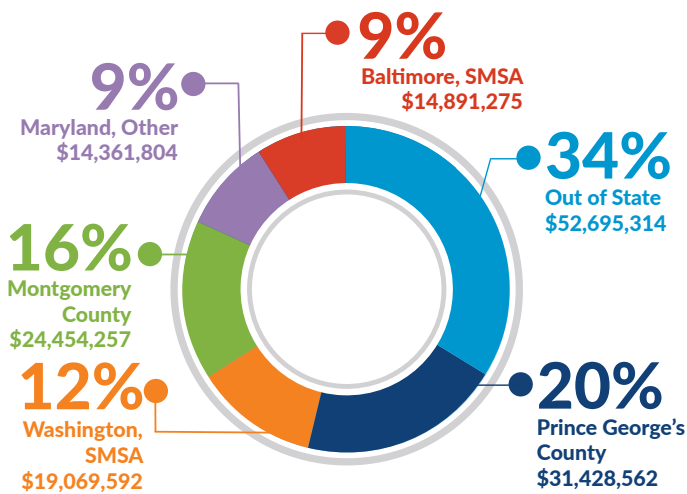


Figure 9 illustrates a total of \$55.8 million (36%) of WSSC's MBE total contract payments remitted to businesses located in Prince George's and Montgomery counties.

FIGURE 10: TOTAL CONTRACT PAYMENTS BY LOCATION

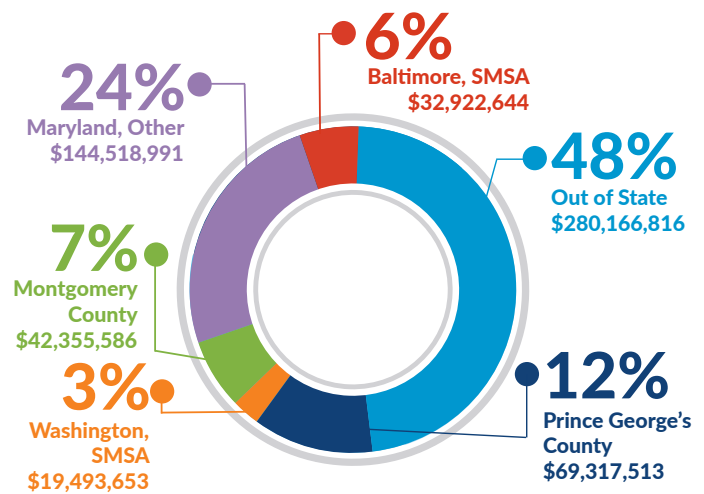


Figure 10 illustrates the total contract payments by location. Based on the total contract payment amounts, almost 50% of the total contract payments went to businesses located in Maryland, including Prince George's and Montgomery counties.

Nearly 50% of WSSC's total contract payments were paid to firms in Maryland. Of that amount, 12% was paid to Prince George's County firms and 7% was paid to Montgomery County firms. WSSC believes that doing more business with local firms is good for Prince George's and Montgomery counties and the local economy.

FY 2017 PERFORMANCE RESULTS

MBE PROGRAM CONT.

The five-year fiscal year trending data depicts that WSSC has paid twenty-two percent (22%) of its total contract payments to MBE firms. In FY 2017, twenty-

seven percent (27%) of WSSC's total contract payments went to MBE firms. (Figure 11).

FIGURE 11: TRENDING REPORT BY FISCAL YEAR FOR M/WBE TOTAL CONTRACT PAYMENTS

FISCAL YEAR	M/WBE PERCENT	M/WBE CONTRACT PAYMENTS	MAJORITY CONTRACT PAYMENTS	TOTAL CONTRACT PAYMENTS
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
2016	20%	\$114,832,166	\$472,666,623	\$587,498,789
2017	27%	\$156,900,804	\$431,874,399	\$588,775,203
5 Fiscal Years	22%	\$598,244,728	\$2,077,198,307	\$2,675,443,035

Figure 11 shows the five-year fiscal year trending data and depicts that WSSC has paid 22% of its total contract payments to MBE firms. In FY 2017, 27% of WSSC's total contract payments went to MBE firms.

FY 2017 MBE TOTAL PROCUREMENT CARD (P-CARD) EXPENDITURES

Procurement Cards (P-Cards or WSSC credit cards) are used for expenditures of less than \$5,000. In FY 2017, total P-Card expenditures were \$6.6 million, of which WSSC's MBE Total P-Card expenditures

were \$335,508 (5%), and the Majority Total P-Card expenditures were \$6.3 million (95%). (Figure 12)

In FY 2017, the MBE Total P-Card Expenditures were five percent (5%) compared to four percent (4%) in FY 2016 (Figure 13). This represents a one percent (1%) increase in MBE Total P-Card Expenditures in FY 2017.

FIGURE 12: FY 2017 M/WBE TOTAL P-CARD EXPENDITURES

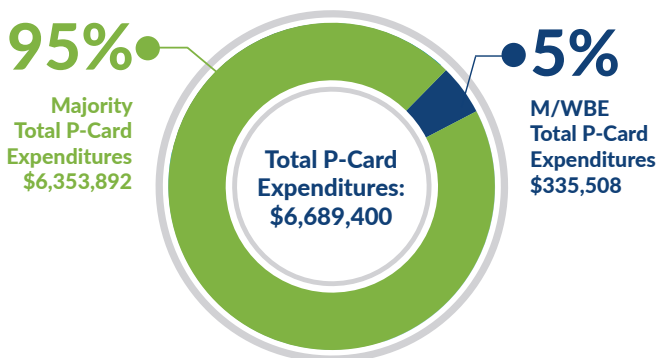
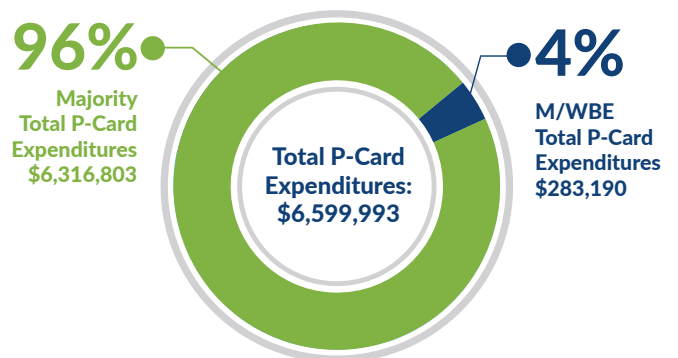


FIGURE 13: FY 2016 M/WBE TOTAL P-CARD EXPENDITURES



FY 2017 PERFORMANCE RESULTS

MBE PROGRAM CONT.

Contract awards serve as a leading indicator of future contract payments. Because contracts may have multi-year terms, the impact of contract award dollars on contract expenditures may extend beyond a single fiscal year. FY 2017 saw an \$85.1 million increase in MBE total contract awards, (\$236.1 million) compared to FY 2016 (almost \$151 million). The overall total contract awards saw a \$76.9 million increase (13%) from FY 2016.

Of the \$236.1 million in MBE total contract awards, \$184.7 million in total contract awards were made to prime MBE firms and \$51.4 million in total contract awards were made to MBE subcontractors. Seventy-eight percent (78%) of the total contract awards were made to MBE prime contractors and twenty-two percent (22%) of the total contract awards were made to MBE subcontractors.

FIGURE 14: M/WBE TOTAL CONTRACT AWARDS

CONTRACTING AREA	M/WBE PERCENT	ASPIRATIONAL GOALS	WBE AWARDS	MBE AWARDS	TOTAL M/WBE AWARDS	MAJORITY AWARDS	TOTAL CONTRACT AWARDS
A&E Services	26%	24%	\$0	\$22,256,135	\$22,256,135	\$63,776,032	\$86,032,167
Construction Services	25%	13%	\$0	\$44,447,099	\$44,447,099	\$136,595,611	\$181,042,710
Goods & Services	48%	33%	\$61,141,921	\$85,413,516	\$146,555,437	\$159,179,863	\$305,735,300
Professional Services	33%	23%	\$7,140,548	\$15,736,850	\$22,877,398	\$46,984,222	\$69,861,620
Total All Contract Types	37%		\$68,282,469	\$167,853,600	\$236,136,069	\$406,535,728	\$642,671,797

Figure 14 summarizes total contract awards in FY 2017. Total contract awards to MBE firms totaled \$236.1 million or 37% of total contract awards, of which \$51.4 million in total contract awards were made to MBE subcontractors.

FIGURE 15: M/WBE PRIME AND SUBCONTRACTOR TOTAL CONTRACT AWARDS

CONTRACTING AREA	SUB PERCENT OF M/WBE PERCENT	M/WBE PRIME AWARDS	M/WBE SUB AWARDS	TOTALS M/WBE CONTRACT AWARDS
A&E Services	83%	\$3,686,800	\$18,569,335	\$22,256,135
Construction Services	58%	\$18,459,520	\$25,987,579	\$44,447,099
Goods & Services	3%	\$141,855,888	\$4,699,549	\$146,555,437
Professional Services	9%	\$20,704,103	\$2,173,295	\$22,877,398
Total All Contract Areas	22%	\$184,706,311	\$51,429,758	\$236,136,069

Figure 15 summarizes total M/WBE contract awards as \$236.1 million and describes the sub awards percentage of for each of the four(4) contracting areas.

FY 2017 PERFORMANCE RESULTS

MBE PROGRAM CONT.

In FY 2017, WSSC awarded 870 contracts. Of that total, twenty-five percent (25%) were awarded to MBE firms and three percent (3%) to WSSC-Approved SLBE firms.

The five-year fiscal year trending data depicts that WSSC awarded twenty-eight percent (28%) of its total contract awards to MBE firms. In FY 2017, WSSC made total contract awards of thirty-seven percent (37%) to MBE firms. (Figure 17)

FIGURE 16: TOTAL CONTRACTS AWARDED BY BUSINESS TYPE

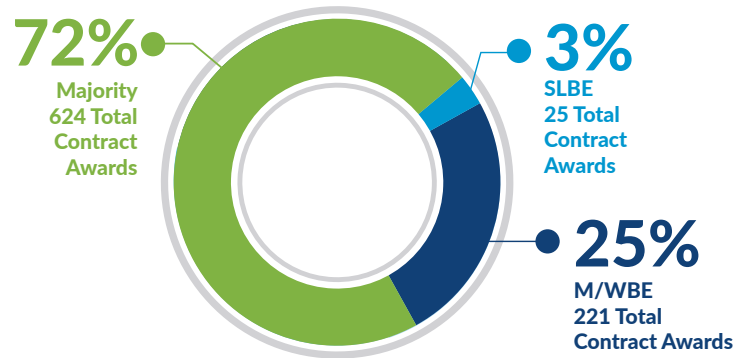


FIGURE 17: TRENDING REPORT BY FISCAL YEAR FOR M/WBE TOTAL CONTRACT AWARDS

FISCAL YEAR	M/WBE PERCENT	M/WBE TOTAL CONTRACT AWARDS	MAJORITY TOTAL CONTRACT AWARDS	TOTAL CONTRACT AWARDS
2013	25%	\$186,250,875	\$560,086,819	\$746,337,694
2014	24%	\$228,579,268	\$737,785,375	\$966,364,643
2015	28%	\$187,869,377	\$486,419,520	\$674,288,897
2016*	27%	\$150,968,610	\$414,737,966	\$565,706,576
2017	37%	\$236,136,069	\$406,535,728	\$642,671,797
5 Fiscal Years	28%	\$989,804,199	\$2,605,565,408	\$3,595,369,607

*Please note: In the FY 2016 SLMBE Performance Results Report there was an error to the 5 Fiscal Year sum of Total Majority Contract Award Dollars and the Total Contract Award Dollars. The correct numbers are \$2,772,973,955 and \$3,655,680,058, respectively.

FIGURE 18: TRENDING REPORT OF M/WBE TOTAL CONTRACT AWARDS BY FISCAL YEAR AND CONTRACTING AREA

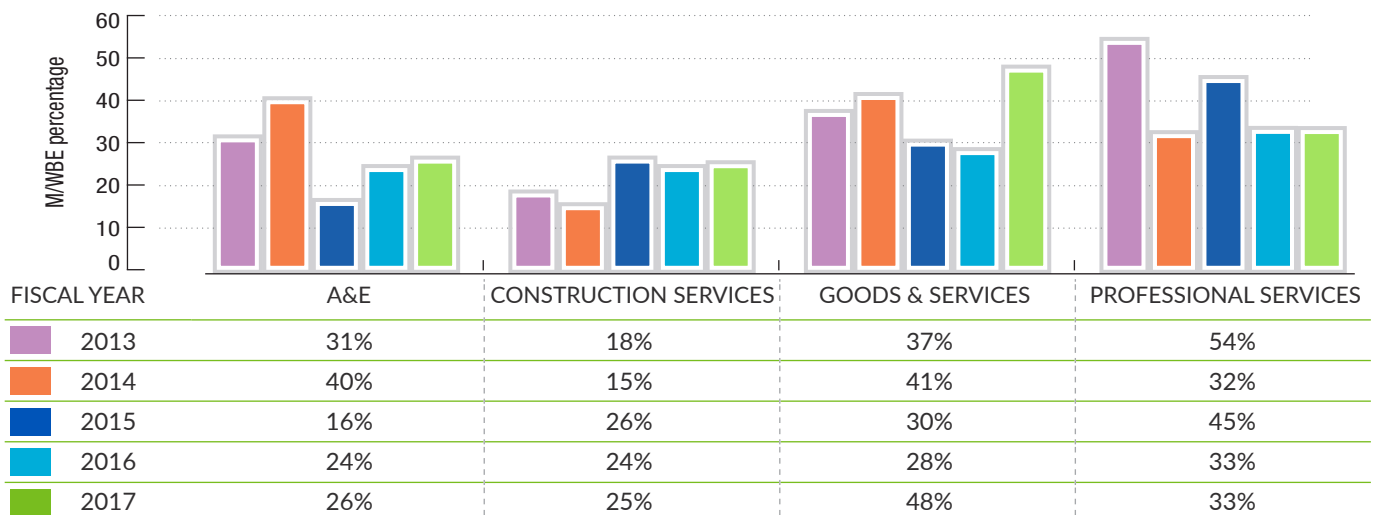


Figure 18 depicts the trend of MBE total contract awards by contracting areas over the past five (5) fiscal years.

FY 2017 PERFORMANCE RESULTS

SLBE PROGRAM

WSSC's signature SLBE Program was established in 2001 to ensure the small local business community is afforded opportunities to participate in WSSC's contracts. The SLBE Program is a race- and gender-neutral program specifically designed by WSSC to encourage contracting with small local firms located in Prince George's and Montgomery counties. The SLBE Program furthers the Commission's objective of fostering broad-based competition within the small and local business community. It encourages economic growth by offering benefits, particularly to those small firms headquartered in Prince George's and Montgomery counties. These benefits include contract-specific subcontracting goals, bid price

preferences, evaluation point preferences, and the Optimization of Diverse Business Development Program (ODBDP)

SLBE TOTAL CONTRACT PAYMENTS

In FY 2017, total contract payments to WSSC-Approved SLBE firms (prime and validated subcontractor payments) totaled \$56.2 million as depicted in Figure 19, with \$50.3 million in total contract payments for Construction Services.

Total contract awards made to WSSC-Approved SLBE firms in FY 2017 totaled \$53 million (depicted in Figure 21), an \$8.3 million increase compared to FY 2016 SLBE total contract awards of \$44.7 million.

FIGURE 19: TOTAL CONTRACT PAYMENTS TO SLBE FIRMS BY CONTRACTING AREA

WSSC CONTRACT AREA	TOTAL CONTRACT PAYMENTS
A&E Services	\$973,798
Construction	\$50,305,945
Goods & Services	\$2,626,456
Professional Services	\$2,323,655
Total	\$56,229,854

Figure 19 depicts \$56.2 million as total contract payments to WSSC-Approved SLBE firms.

FIGURE 20: TOTAL CONTRACT PAYMENTS TO SLBE FIRMS BY LOCATION

LOCATION/COUNTY	TOTAL CONTRACT PAYMENTS
Baltimore SMSA	\$134,130
Out of State	\$1,412,636
Prince George's County	\$30,818,382
Washington SMSA	\$360,360
Montgomery County	\$13,055,786
Maryland, Other	\$10,448,560
Total	\$56,229,854

Figure 20 provides a summary of the SLBE total contract payments by location with \$30.8 million of the \$56.2 million to WSSC-Approved SLBE firms located in Prince George's county and another \$13 million in total contract payments to WSSC-Approved SLBE firms in Montgomery county.

FY 2017 PERFORMANCE RESULTS

SLBE PROGRAM CONT.

SLBE TOTAL CONTRACT AWARDS

FIGURE 21: TOTAL CONTRACT AWARDS TO SLBE FIRMS BY CONTRACTING AREA

CONTRACT AREA	PRIME TOTAL CONTRACT AWARDS	SUB TOTAL CONTRACT AWARDS	TOTAL CONTRACT AWARDS
A&E Services	\$0	\$10,064,235	\$10,064,235
Construction	\$2,749,949	\$10,301,941	\$13,051,890
Goods & Services	\$3,554,731	\$21,967,709	\$25,522,440
Professional Services	\$3,560,465	\$867,261	\$4,427,726
Total Contract Awards	\$9,865,145	\$43,201,146	\$53,066,291

Total contract awards of \$53 million were made to WSSC-Approved SLBE firms with the majority of total contract award dollars in the contracting area of Goods and Services in the amount of \$25.5 million. (Figure 21).

FIGURE 22: TOTAL CONTRACT AWARDS TO SLBE FIRMS BY LOCATION

LOCATION/COUNTY	TOTAL CONTRACT AWARDS	PERCENTAGES
Out of State	\$480,000	1%
Prince George's County	\$33,326,324	63%
Washington SMSA	\$4,716,755	9%
Montgomery County	\$12,539,661	23%
Maryland, Other	\$2,003,551	4%
Total Contract Awards	\$53,066,291	100%

Figure 22 provides a summary of the WSSC-Approved SLBE total contract awards by location with \$33.3 million of the \$53 million to WSSC-Approved SLBE firms located in Prince George's county and another \$12.5 million in total contract awards to WSSC-Approved SLBE firms in Montgomery county.

SLBE PRIME CONTRACTS AWARDED DATA

In FY 2017, WSSC awarded 25 contracts to SLBE firms as Prime vendors, of which 20 SLBE firms

received contracts. Below is a breakdown of the contract awards by Contracting Area and Location.

FIGURE 23: SLBE CONTRACTS AWARDED BY CONTRACTING AREA

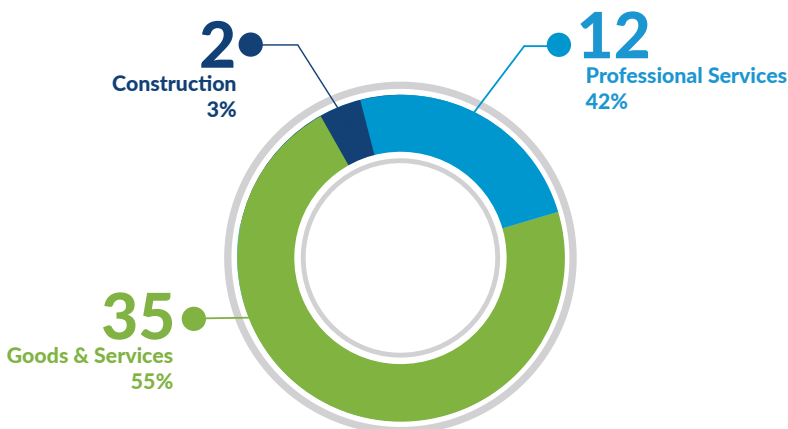


FIGURE 24: SLBE CONTRACTS AWARDED BY LOCATION



FY 2017 PERFORMANCE RESULTS

FIRST-TIME CONTRACTS AWARDED

In FY 2017, WSSC awarded a total of sixty-four (64) contracts to first-time WSSC vendors. Of the sixty-four (64) contract awards, five (5) contracts were awarded to M/WBE firms, three (3) contracts were awarded to SLBE firms, and fifty-six (56) contracts were awarded to Majority firms.

The First-Time Contracts Awarded were divided among the four (4) broad contracting areas, with thirty-five (35) contracts awarded in Goods & Services, twenty-seven (27) contracts awarded in Professional

Services, and two (2) contracts awarded in Construction. No contracts were awarded to first-time vendors in Architecture & Engineering.

Of the twenty-four (24) contracts awarded to firms in Maryland, six (6) were awarded to Montgomery County firms, three (3) were awarded to firms in Baltimore, two (2) were awarded to firms in Prince George's County and thirteen (13) were awarded to firms in other parts of Maryland. One (1) contract was awarded to a firm in the District of Columbia.

FIGURE 25: FIRST-TIME CONTRACTS AWARDED BY CONTRACTING AREA

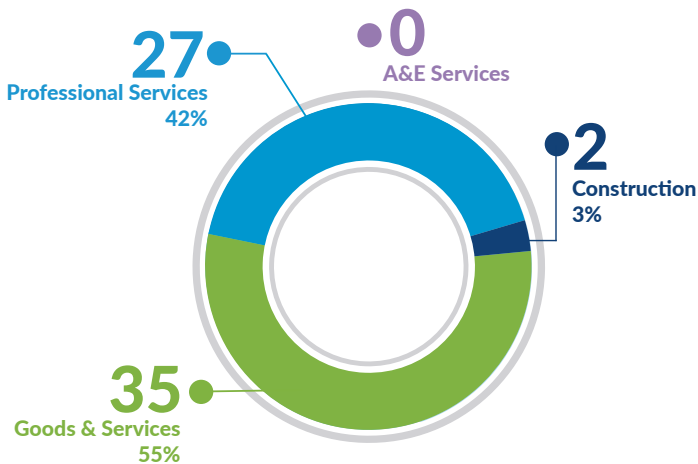


Figure 25 provides a breakdown of the First-Time Contracts Awarded by Contracting Area.

*For the purposes of this data, a first-time awardee is identified as any vendor/supplier/consultant that has not been an award recipient at WSSC over the previous five (5) fiscal years.

FIGURE 26: FIRST-TIME CONTRACTS AWARDED BY LOCATION

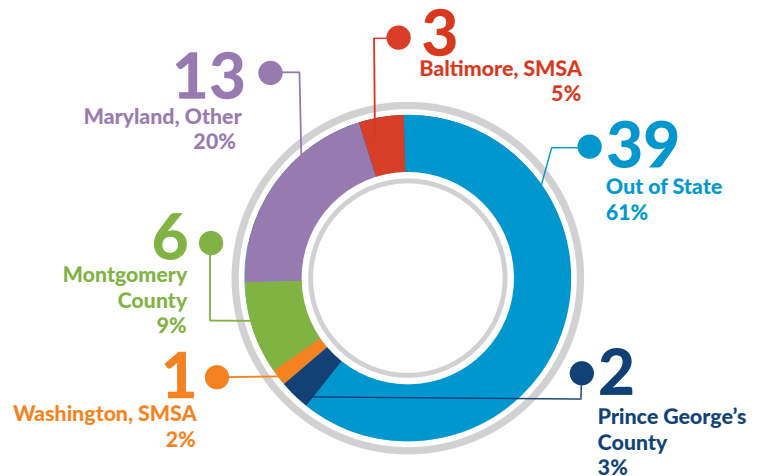


Figure 26 provides a breakdown of First-Time Contracts Awarded By Location

"The Washington Suburban Sanitary Commission (WSSC) is the unequivocal water utility leader in the Mid-Atlantic region when it comes to minority, women, and local small business outreach, procurement and payment. The OSDI slogan, "Diversity...just the way we do business!" has reached contagious heights as area corporations have emulated WSSC's policy and practices."

WAYNE R. FRAZIER, SR. PRESIDENT, MD. WASHINGTON MINORITY COMPANIES ASSOCIATION (MWMCA)

FY 2017 PERFORMANCE RESULTS

FIRST-TIME CONTRACTS AWARDED CONT.

FIGURE 27: FIRST-TIME CONTRACTS AWARDED BY BUSINESS TYPE

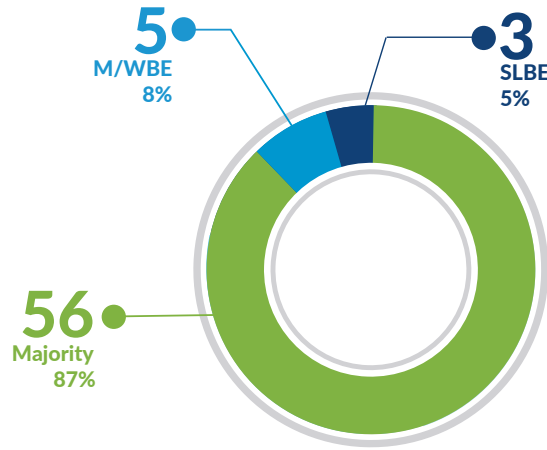


Figure 27 provides a breakdown of First-Time Contracts Awarded by Business Type



STRATEGIC SOURCING THROUGH OSDI'S MBE AND SLBE PROGRAMS



LaCreshia Wood, OSDI's Supplier Diversity Program Specialist with The Honorable Rushern L. Baker III, County Executive, Prince George's County during the Prince George's County 2017 State of the Economy Breakfast.

WSSC continues its strong commitment to the inclusion of MBE and SLBE firms' participation in the procurement of goods, general services and professional services. For this reason, as part of WSSC's current Supply Chain Management Transformation Initiative, MBE and SLBE firms are given early consideration in WSSC's Strategic Sourcing efforts. At WSSC, excellence drives every aspect of the supply chain, which is why WSSC takes the approach of Strategic Sourcing, continuously improving and re-evaluating its purchasing activities.

Strategic Sourcing includes efforts such as: expanding the supplier pool, conducting negotiations, developing customer and supplier relationships, risk management, and ensuring MBE and SLBE firms' inclusion in the solicitation process. Cross-functional

Strategic Sourcing Teams (SST) are formed to develop strategies for securing goods and services with the intention to drive the cost down in the supply chain. While looking to reduce WSSC's costs, the OSDI safeguards WSSC's ongoing efforts to ensure Supplier Diversity in WSSC's procurement of goods and services by making certain that it is a member of every SST. Additionally, the OSDI and WSSC's Strategic Sourcing efforts focus on developing a value-added, sustainable, diverse supplier base that is agile, cost effective, innovative, and of the highest quality. Early OSDI involvement ensures that MBE and SLBE firms are included in the Strategic Sourcing process with deliberate emphasis and attention provided to WSSC's diverse supplier base.



RELATIONSHIPS



INNOVATION



COST
EFFECTIVENESS



RISK
MANAGEMENT



DIVERSITY

STRATEGIC ALLIANCES SUCCESS

WSSC makes certification easier for MBE firms by strategically working with and recognizing five (5) certification agencies. WSSC does not certify MBE or WBE firms; however, MBE firms can use the recognized agencies to gain the needed certification required when bidding on WSSC contracts as MBE firms. These agencies have formed lasting working relationships with WSSC that benefit the entire business community. They include:

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 Presidents' Educational Organization (WPEO)

OSDI is also a part of the Maryland Compliance Professionals, a regional group of compliance professionals focused on addressing contract compliance best practices and industry standards. The group meets quarterly to discuss best practices centered on increasing the maximum practicable contracting opportunities for minority, women, disadvantaged, veteran and small business enterprises. The collaborative forum allows for the cross-sharing of jurisdictional updates, including regulatory changes and compliance policy updates, as well as strategic and tactical solutions to area challenges and opportunities.

“WSSC ranks among the best in providing opportunities to the minority business community. Its comprehensive supplier diversity program incorporates tools and resources minority suppliers need to successfully compete for contracts. WSSC is passionate and committed to supplier diversity. It is evidenced by its extensive outreach and ability to support the goals of its constituents. We are proud to have WSSC as a member of the Capital Region Council.”

SHARON R. PINDER, CEO, CAPITAL REGION MINORITY SUPPLIER DEVELOPMENT COUNCIL

Members of the Maryland Compliance Professionals.



VIEWS FROM THE C-SUITE: SUPPLIER DIVERSITY & INCLUSION



THOMAS STREET, DEPUTY GENERAL MANAGER FOR ADMINISTRATION

Thomas Street is the Deputy General Manager for Administration and supports and advises the General Manager/Chief Executive Officer in areas of finance and fiscal policy, procurement, information technology, emergency response, business development, and fleet. Evoking his long-term experience working with local minority businesses in the region he states, "WSSC's Small Local Business Enterprise (SLBE) and Minority Business Enterprise (MBE) Programs are the best in their class nationally," affirms Street. "There are historically disadvantaged situations that have to be remedied, and our programs are excellent in doing that. In addition, our objective is to build local business capacity in order to direct the resources we use back to the local economy. Towanda [Livingston's] success building the program and leading OSDI in that direction has been outstanding," says Street.

For WSSC, payments are critical. "Winning task orders or contract awards doesn't really mean a lot unless the Commission actually uses the service and WSSC makes payments for the full amount of the contract value," acknowledges Street. "Payments are where the rubber really hits the road; contract payments in FY 2017 were \$42 million more than FY 2016, and we made payments to women and minority firms totaling \$157 million, which was 27% of our spending," adds Street. "We made awards to those same firms in the amount of \$236 million, or 37% of our total spending, which is \$85 million more than in FY 2016. Just those numbers alone indicate we are doing something dramatically different; we are paying a lot more attention to these programs and are using these programs to meet the agency's mission."

WSSC has approved a total of 300 SLBE firms, 85% of which are also certified-MBE firms. These firms can leverage either approval status in different contracting

VIEWS FROM THE C-SUITE: CONT.

areas, so they are not counted twice in WSSC numbers, as may happen in other Federal Government programs. “What we have today is a great program. Because of Towanda’s leadership and her team’s efforts, we are not just achieving percentages pegged to an aspirational goal, we are looking to build capacity of SLBEs and MBEs so that they can become strategic partners with WSSC. In the last five, or even ten years, we had not been meeting the goals that were established in each contracting area,” acknowledges Street.

Following the new aspirational contract payment

top down—from Carla Reid, to Joe Mantua, Monica Johnson, to David Malone, and to the rest of the Department Directors at WSSC—they all have played an important role in the progress achieved. Strategically embedding SLBEs and MBEs in the early planning stages of WSSC’s contracting process is one of the important steps that has supported the OSDI’s efforts, according to Street. “The OSDI’s staff is committed and engaged with their partnering departments to raise levels of awareness internally, constantly reminding staff what the MBE and SLBE objectives are,” says

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THOMAS STREET, WSSC’S DEPUTY GENERAL MANAGER FOR ADMINISTRATION

goals approved in FY 2017, WSSC established target percentages of spending for each of its four contracting areas. “FY 2017 was an exceptionally good year. Architecture and engineering payments accounted for 30% of payments to Minority and Women Business Enterprise (MWBE) firms, six percentage points above the goal; construction achieved 23%, ten percentage points more than expected; goods and services was 30%, and professional services achieved 38% for payments made to MWBE firms, fifteen points above the goal,” shares Street.

In Street’s view, the success of the OSDI this year can be accredited to the entire WSSC staff’s understanding of the OSDI mission, and to the leadership support of Towanda R. Livingston and her team from the

Street. Another key step is, “the use of our web-based compliance system, which requires the validation of contract payments, from both prime and sub-contractors, allowing us to closely monitor payments.”

Looking ahead, Street notes that there is still work to be done. “We are trying to expand our local orientation. It is a challenge to show businesses that they can benefit and be better prepared by using our support,” states Street. “The other challenge, I think, is measuring our success and avoid under-utilization of the contracts. It’s really important that we continue, internally, to have that open communication between the contract issuing departments, procurement, and the OSDI to make sure we are all aligned.”



DAVID MALONE, WSSC'S CHIEF PROCUREMENT OFFICER

David Malone's Procurement team relies on the OSDI for supplier diversity procurement activity before submitting project plans to the Commission. Malone recognizes that the partnership between the OSDI and the other procurement areas is effective and productive. "OSDI's early involvement and continuing collaboration in every procurement is the best inter-office partnership I have seen," he affirms. This close partnership has resulted in solid numbers in terms of small, local, and minority business participation. "I'm impressed with the consistency and the deliberate approach to make sure that small, local, and minority business enterprises are engaged in the procurement process," Malone states.

The Procurement team works with all WSSC departments to identify upcoming projects

and generate an overall project forecast that is disseminated to the leadership team once a month. As the procurement process moves into the planning stage, each department identifies and defines their project-specific goals, and requests the OSDI's participation to ensure involvement of small, local, and minority businesses. "Right off the bat, the OSDI is involved in forecasting, planning, and other aspects of the solicitation process; it's our job to execute the procurement in a way that reaches the goals they identify," Malone says.

The OSDI's participation is critical to strategic sourcing, a process that makes it possible for WSSC to find the best possible value in the marketplace. "OSDI's early involvement, well before a project idea becomes a public solicitation, demonstrates a world-class best practice. We have multiple strategic sourcing teams, and there's an OSDI representative

VIEWS FROM THE C-SUITE: CONT.

on each of them. Strategic sourcing ensures that each WSSC solicitation is based on the best possible preview of the market and a thorough evaluation of long-term value, not just cost savings. The OSDI's participation helps fill in that important view from the small, local, and minority business perspective," recognizes Malone.

The OSDI's participation and leadership has led to important changes in procurement goals and processes. Malone notes, "a good example is the current WSSC Paving Contract, which had historically been a large single contract. Thorough market analysis led the strategic sourcing team to open the solicitation to more than one vendor, going from one supplier to three, thus yielding a more competitive environment and saving millions of dollars. One of the three suppliers is a woman-owned and minority business."

The OSDI's serious, deliberate, and productive engagement has made small, local, and minority business enterprise participation possible in WSSC's procurement opportunities. "We have an outstanding OSDI Director, Towanda R. Livingston, who has a great and hardworking team. The OSDI team members are very passionate about the MBE and SLBE Programs and are committed to achieving results," states Malone. WSSC's procurement process excels by working with the OSDI, and together these offices have developed processes to support efficient progress.

"OSDI's early involvement, well before a project idea becomes a public solicitation, demonstrates a world-class best practice. We have multiple strategic sourcing teams, and there's an OSDI representative on each of them..."

DAVID MALONE, WSSC'S CHIEF PROCUREMENT OFFICER

VIEWS FROM THE C-SUITE: CONT.

VENNARD WRIGHT, WSSC'S CHIEF INFORMATION OFFICER

Vennard Wright, WSSC's Chief Information Officer, is responsible for observing and responding to customer needs and ensuring that WSSC has the right IT capabilities in place for all operations to run smoothly. Wright ensures that WSSC uses technology efficiently by optimizing IT resources, incorporating creativity, and identifying new technologies that can support WSSC in running a world-class operation. "My goal as head of this department is to foster transparency, facilitate communication with the industry, and make sure we follow key trends in IT—from the simplest to the most complex use of technology," Wright says.

Mr. Wright's department has witnessed WSSC's success in increasing payments to small, local, and minority business enterprises. In FY 2017, WSSC will process over \$140 million in payments to small, local and minority businesses, an increase of over 20%

from the previous year. According to Wright, "This increase is grounded in the same fact that makes WSSC's Office of Supplier Diversity & Inclusion (OSDI) different—its people. Towanda [Livingston] is not just going through the motions, she is actually serious about WSSC and the OSDI mission."

In FY 2017, Wright's team began working on implementing a new system for procurement. "We took a step back and worked with the procurement team to identify a more efficient process. We agreed on what the process should be, based on the reality that we are working with a number of different vendors, in order to put an *end-to-end* workflow in place," Wright says referring to the new automated procurement system. The system is expected to go online in November of 2017. "We could have approximately 200 outstanding IT contract requests that range from simple, like maintenance renewals for software packages, to complex, like the creation of a new contract," Wright explains. "The OSDI's



VIEWS FROM THE C-SUITE: CONT.

involvement plays a key role to quantify all of those contract requests and benchmark the SLMBEs available to deliver against the requirements.”

Another major tool set in motion in FY 2017 will support the process of vendor qualification. WSSC is finalizing a new contract vehicle, Consulting and Technical Services (CATS). The CATS contract vehicle prequalifies companies across seven functional categories. Then Task Order proposal requests are issued to all prequalified companies within each

partnerships. *Tech Tuesday* will be a space where all businesses, particularly small, local, and minority firms, can talk about their needs for growth in terms of IT. “Technology is changing rapidly, so we want to make sure that we are accounting for that to make adjustments as we move forward,” Wright adds.

“WSSC’s IT Office is expanding its capacity for IT support by bringing in local technical business analysts who can translate ‘IT speak’ into language that everyone can understand,” Wright shares. These

“WSSC’s IT Office is expanding its capacity for IT support by bringing in local technical business analysts who can translate ‘IT speak’ into language that everyone can understand.”

VENNARD WRIGHT, WSSC’S CHIEF INFORMATION OFFICER

particular functional area. This will offer companies that do not have an existing contract vehicle with WSSC the ability to work directly with WSSC in the future. “We anticipate awarding about 100 companies with the CATS vehicle,” Wright notes. “The OSDI’s involvement ensures that small and diverse enterprises are included in the mix of vendors that offer the skills we require in each specific area.”

WSSC held its first *Tech Tuesday* session on July 25th, 2017. Wright describes this series of “bi-directional feed of information” sessions as a channel of communication to discuss areas of improvement, challenges, newly available technology, or trends that WSSC can use as best practices to nurture better

new analysts will have a more advanced view of the requirements that might be coming, as a result of new OSDI-proposed standards, and will serve as advocates on behalf of their departments.

In regards to the road ahead Wright acknowledges that, “The OSDI faces challenges dealing with the loss of intellectual capital due to previously certified firms graduating from the MBE program. Those companies have partnered with the Commission for years and have become intimately familiar with WSSC operations. The OSDI’s planning will have to work on promoting seamless transition, effective communication, and engagement with new firms that are qualified to participate in the SLMBE Program.”



TOWANDA R. LIVINGSTON, DIRECTOR, OSDI

Towanda R. Livingston administers and oversees the planning, management, coordination, and monitoring of the Commission's Minority Business Enterprise (MBE) Program and its signature Small Local Business Enterprise Program in the Office of Supplier Diversity and Inclusion (OSDI). She has been the driving force behind the office's evolution for the last eleven (11) years and speaks proudly of its progress in supporting WSSC's commitment to providing minority, women, and small and local business enterprises with the opportunity to compete for WSSC contracts. Following the Four Pillars of Excellence for a world-class supplier diversity program, her team is dedicated to extending advocacy for supplier diversity throughout WSSC and the community, while offering strategic solutions that promote compliance, extensive outreach, and supplier development. Fiscal Year 2017 shows better than ever the fruit of their effort by surpassing all MBE Aspirational contract payment goals for the four

(4) broad contracting areas (A/E, Construction, Goods & General Services, and Professional Services), with exception to Goods and General Services.

"Our program is so much more than a mandated regulatory program for MBEs or a remedy to eliminate potential discriminations in public contracting and in the marketplace. Supplier Diversity is a choice for WSSC. As a choice, our paradigm has changed from reactive or remedial efforts to proactive efforts, and from quote-based measures to solution-based and value-driven inclusion of our diverse, small and local businesses. We have strategically embedded supplier diversity in our contracting practices to support our thriving local economies. We have worked hard to create a value-driven program that offers opportunities for minorities and small businesses on a prime and subcontracting level at every level of our supply chain," affirms Livingston. She adds, "By re-engineering the playing field, OSDI is trying to achieve equity, which is different than just leveling the playing field or being equal."

VIEWS FROM THE C-SUITE: CONT.

WSSC is leading the way in supplier diversity engagement on a local, regional and national level. Other public and private agencies are taking similar strides and benchmarking themselves against WSSC's OSDI. "We have won plenty of awards and recognitions throughout this fiscal year—either myself directly on behalf of the administration, or the Commission itself—for our efforts related to supplier diversity, which serves as confirmation we are getting it right," acknowledges Livingston. This year, Livingston received national recognition on the 2016 Diversity MBA's

Livingston's passion and personal approach to leadership is contagious and has spread to her staff, who have strategically shed negative labels associated with affirmative programs and who strive to make incremental improvements toward excellence in supplier diversity best practices and service delivery. By strengthening core values and gaining and sustaining public trust, the OSDI team is focused on breaking through barriers to public contracting, and transparency is the key to the Program's success. "I am humbled to have a self-motivated team who are inspired by

"Our program is so much more than a mandated regulatory program for MBEs or a remedy to eliminate potential discriminations in public contracting and in the marketplace. Supplier Diversity is a choice for WSSC."

TOWANDA R. LIVINGSTON, WSSC'S DIRECTOR, OSDI

Top 100 under 50 Diverse Executive Leaders List for her advocacy efforts demonstrated via outcomes. "I'm extremely proud of my team's achievements. Our work represents WSSC's investment into our Supplier Diversity Program, and we want to make sure that we have a return on that investment daily. For us, the value of our Program goes beyond the tactical arbitrary goals. Measuring payments to MWBE firms is integral to the success of our Program efforts; however it is only part of the equation. Our Program's mission involves leveraging our community and business partnerships to strategically position sustainable value/solution-driven diverse and small local firms in our industry and broader marketplace that will continuously improve the economic base," Livingston says.

our purpose and are committed to excellence daily," Livingston asserts.

"However," she notes, "the road ahead is yet to be paved. What I would like to do moving forward is to create an environment where we have loyal customers to WSSC who keep coming back, inspire people to embrace and deliver on our supplier diversity mission daily, continue to ethically and fairly operate our business, and have significant partners who thrive on the mutual trust and respect they feel toward WSSC and our Supplier Diversity Programs. Also, I would like to continue working to serve people who live and thrive on excellence. For me, it is extremely hard to go back to mediocrity when you have tasted the sweetness of excellence and excellence is where WSSC lives and thrives."



JOSEPH MANTUA, WSSC'S DEPUTY GENERAL MANAGER FOR OPERATIONS

Joseph “Joe” Mantua oversees the engineering, production, and utility services teams—that together manage the production of drinking water. Coming to WSSC from the private sector, Mantua sees important differences between WSSC’s Small Local Business Enterprise (SLBE) and Minority Business Enterprise (MBE) Programs and other programs like it. “In the private engineering community, there typically aren’t programs as robust or with the level of scrutiny, tracking, and monitoring of results,” Mantua notes. “The Office of Supplier Diversity & Inclusion (“OSDI”) focuses on making sure that MBE and SLBE Program procedures are implemented and that numbers are tracked and accounted for. These Programs are more than a good faith effort. They get results.”

Mantua says the OSDI has matured and strengthened, with the *2015 Disparity Study* as its guide. WSSC has used results from the study to make strategic adjustments and identify gaps regarding the involvement of small and local businesses. “While there is always room to grow, the progress made in WSSC’s ability to track and monitor goals and results makes this year a notable transformation from previous years.”

In regards to overall performance in FY 2017, Mantua expresses, “We achieved significant numbers for contracting with small and local businesses for WSSC”. WSSC made total contract payments of over \$156.9 million to MBE firms and \$56.2 million to WSSC-Approved SLBE firms. “We have had the pleasure of working with the broadest, strongest pool of vendors in design and construction that we have seen, thanks to the OSDI’s active engagement.” Mantua credits

VIEWS FROM THE C-SUITE: CONT.

the programs and support offered by the OSDI with making it possible for minority and diverse firms to successfully work with WSSC, to grow, and to become more active participants in the economy. The OSDI has facilitated an increase in the capacity of small and diverse enterprises and is extending work out into the local community. “We have seen firms that have elevated and grown out of the program, from being a subcontractor to a prime, or transitioning from being a certified MBE to a majority firm,” he observes.

as being able to do things more quickly and with less bureaucracy. “They really jump in and help in areas where there is a definite need to mix it up,” he says. “The biggest benefit I see is having a fresh perspective, partnering with someone that has a different point of view. Working with diverse firms allows us to open our ‘business eyes.’ Working with local community firms brings the perspective of the community to the project.”

“While there is always room to grow, the progress made in WSSC’s ability to track and monitor goals and results makes this year a notable transformation from previous years.”

JOSEPH MANTUA, WSSC’S DEPUTY GENERAL MANAGER FOR OPERATIONS

The OSDI helps these businesses position themselves for success by offering a constant technical support database, known as WSSC’s Supplier Portal System, which details how these firms can work most effectively with WSSC. Mantua recognizes, “The OSDI enhances WSSC’s procurement process by giving us access to a larger base of vendors that are available to do the variety of things that we need; it helps attract professionals that are qualified, competent, and successful”. He describes local and small businesses

To optimize this ongoing collaboration Mantua believes, “There is an opportunity to provide more assistance to small and minority firms once they are on a successful team and are doing work for us. These firms need support to navigate how to work with bigger companies, getting answers and assistance as they are actually working on the projects.”

VIEWS FROM THE C-SUITE: CONT.

GARY GUMM, WSSC'S CHIEF ENGINEER

Gary Gumm is WSSC's Chief Engineer and responsible for leading WSSC's Engineering and Construction Department. Gumm says that one of the biggest accomplishments of this fiscal year involves the changes made to the SLBE and MBE Standard Procedures—a result of follow-up activities related to findings from the 2015 Disparity Study. These changes address the need to ensure fair and equal access to WSSC contracting opportunities and to, in turn, expand WSSC business opportunities. "WSSC is taking progressive steps toward engaging diverse, local, and minority businesses, and this creates a win-win situation," Gumm says.

WSSC operates within a very diverse society, covering two large Maryland counties. While serving these residents as a utility provider of water and wastewater services, WSSC is also a member of the local economy. Its success depends on the availability of other

businesses in the community to provide supplies, goods, and services so that it can continue to provide safe drinking water and wastewater management. WSSC also needs customers who can pay for its services. "When there's no money flowing into the local economy, members of the community can't buy our services," highlights Gumm. "It is in WSSC's interest for the local economy to thrive and to ensure that its programs come full circle. When various WSSC departments contract locally, they contribute to the flow of resources into that economy, enabling people to buy groceries, pay for electricity, and pay for water. Local businesses need new opportunities and new income—and they benefit from learning more about operating in the local marketplace. WSSC is addressing these needs through our committed involvement of the OSDI."

"As Chief Engineer, one of the biggest achievements in my department this fiscal year is the continued progression of the Bio-Energy Project," Gumm adds.



VIEWS FROM THE C-SUITE: CONT.

The project will serve as a resource recovery plant; it will help avoid waste, lower greenhouse gases, and lower costs, and it will pay for itself in the long run. “The project, currently in the early design stage, is approaching the point where the vision will become a reality. As the design phase advances, the project team will be looking for local businesses to become part of the project. That is where the OSDI comes in; it keeps local diverse suppliers apprised of WSSC activities and notifies them when prime and subcontracting opportunities become available,” elaborates Gumm.

The OSDI has an important mission within WSSC: to maintain a close and meaningful connection with the people that we serve and to keep dollars, as much as possible, within the local community. As WSSC’s Chief Engineer, Gumm wants to promote growth, and his team is working to figure out how to do that efficiently with this important project. “With the Bio-Energy Project and every new project, I remember that I don’t just work here, I live here in this diverse community,” Gumm expresses.

“It is in WSSC’s interest for the local economy to thrive and to ensure that its programs come full circle. When various WSSC departments contract locally, they contribute to the flow of resources into that economy...”

GARY GUMM, WSSC’S CHIEF ENGINEER

Mr. Gumm describes the Bio-Energy Project as different from typical WSSC projects. “We are using a progressive design-build process, which means when we secure the entire team, we will be working hand-in-hand with them to further the design along, and then we will set the budget,” he says. “The first collaboration may be soliciting input from the community, including a wide range of bio-energy players, about development requirements for a design-build firm to work with.” This landmark project will not only help elevate WSSC to achieve world-class status as a utility enterprise, it will, with the help of the OSDI, bring new jobs to the community and allow WSSC to continue working with local and small businesses.

Gumm recognizes that growth brings challenges, “We still have things to fix. The IDIQs for example, their indefinite nature of scope makes it very hard for the consultant or contractor to accurately determine the subcontracting team to put together, which can lead to failure to create a team that fits the work WSSC assigns. “We need to work on a more dynamic process that allows more visibility of the type of work that we are giving to contractors or suppliers in these type of contract vehicles.” We also need to work on verification of payments in the system, so we can take credit for them.

A BIG YEAR FOR WSSC

A BIG YEAR FOR WSSC: ECONOMICALLY UPLIFTING COMMUNITIES

Fiscal Year 2017 was a **BIG** year for the Office of Supplier Diversity & Inclusion (“OSDI”) and WSSC, marking the initiation of the **Business Investment and Growth (BIG) Program**, which generates a new source of funding for the local community. WSSC’s strategic partnership with six local banks (*Capital Bank, Colombo Bank, Congressional Bank, EagleBank, Old Line Bank, and Revere Bank*) offers an exceptional opportunity to inject working capital into the local economy, resulting in positive returns on investment for WSSC, as well as merging public- and private-sector interests by creating new avenues for business collaboration.

WSSC is committed to ensuring growth and sustainability in the communities we serve. The BIG Program, in collaboration with local banks, will produce \$24 million in available funding for loans to local businesses. The loans offered to small, local, and minority-owned businesses can be used for any number of purposes to expand and sustain their industries, including building and construction, inventory, or any other enterprise development.

The program concept began in the summer of 2016 with various WSSC department leads strategically brainstorming means to create further opportunities for the local community. As WSSC’s *Chief Financial Officer (CFO)*, **Mr. Joseph Beach** recalls, “We met with a representative from EagleBank, which is

Joseph Beach, WSSC’s Chief Financial Officer.



A BIG YEAR FOR WSSC CONT.

headquartered in Bethesda. The bank works with other local governments in similar investment programs. After meeting with the representative, we worked on the standard procedures and got the okay from the Commission and, as a result, funded the deposits in the beginning of February of 2017.”

Other key staff who collaborated effectively to smoothly transform the BIG Program vision into a reality include **Thomas Street** (*Deputy General Manager for Administration*), **Towanda R. Livingston**

acknowledges, “Not only are these banks participating, but they all have a designated point of contact to allow for a better flow of communication and collaboration at a very high level of the organization, which shows their strong commitment to the BIG Program and how it is positioned as a priority within the banks.”

By aligning with the OSDI’s robust activities, the BIG Program becomes another way of expanding community outreach and support for local businesses, dealing especially with small businesses for whom

“This is basically a virtuous circle where we are supporting the local business community, which is good for WSSC and our customer base. WSSC is also benefiting from the BIG Program by getting a favorable rate for their deposits, earning a return that is the current rate of the FDIC weekly national rate plus 50 basis points.”

JOE BEACH, WSSC’S CHIEF FINANCIAL OFFICER

(OSDI Director), **David Malone** (*Chief Procurement Officer*), and **Rick Baker** (*Manager of the Retirement Division/Manager of Investment Program*) as well as teams from each of the respective programs and offices. Beach’s expertise was key for developing changes to the Commission’s investment policy and in developing the Standard Procedures (SP) that govern the BIG Program. His experience with getting similar programs off the ground in Montgomery County was instrumental in drafting the SP, advancing through the process of Commission approval, and conducting outreach to local banks with **Carla A. Reid**, WSSC’s *General Manager and Chief Executive Officer*. Beach

having access to capital is a major challenge. The concept to establish a best-practice program in the area and then facilitate a link between local banks represented a natural way to address the community needs and operate and expand WSSC’s commitment of supporting local businesses.

The OSDI was a strategic force in the crafting of the BIG Program. Towanda R. Livingston’s direct participation facilitated the banks’ willingness to work with WSSC vendors, suppliers, and subcontractors. “Towanda was engaged in all of the meetings with the banks, and helped the executives understand

A BIG YEAR FOR WSSC CONT.

the exact needs and concerns of the local, small, and minority businesses,” Beach says. The OSDI is supporting this effort by disseminating information about bonding and insurance, additional resources for accessing capital, and providing access to support services for business owners to learn about growth and sustainability for their businesses. WSSC’s Finance and Procurement Departments along with the OSDI also organized outreach activities such as “How To Do Business With WSSC” and “Access to Capital, Bonding & Insurance” events.

Beach describes, “We wanted to take a simple and better approach to program regulations. The Commission’s sign-off on the SP was the final and most important piece to ensure the successful launch of the BIG Program.” Participating banks are required to be headquartered in Prince George’s or Montgomery counties; hold assets between \$200 million and \$10 billion; not be subject to an adverse agreement with a regulatory authority; be capable of lending within 12 months of commitment with WSSC; and maintain a Veribanc rating of green or better.

For this first year, WSSC invested \$12 million into the participating banks’ as part of their Certificate of Deposits Account Registry Service (CDARS) program that ensures that the funds are covered by the Federal Deposit Insurance Corporation (FDIC) limits. To participate and receive WSSC deposits, the banks had to commit to loan out at two times the rate of WSSC deposits: if WSSC deposits equal \$1 million, they must make \$2 million available to local businesses, subject to the bank’s loan underwriting criteria.

The BIG Program expands the banks’ deposit base, helps to diversify the WSSC supplier base, and supports local economic development, which

is consistent with WSSC’s policies and strategic priorities. “This is basically a virtuous circle where we are supporting the local business community, which is good for WSSC and our customer base. WSSC is also benefiting from the BIG Program by getting a favorable rate for their deposits, earning a return that is the current rate of the FDIC weekly national rate plus 50 basis points.”

While it is not possible to determine the exact impact of the BIG Program at this time without calculated reports, one can estimate from other similar programs that by making capital available to local businesses, WSSC is contributing to job creation. Based on this year’s outcome, WSSC anticipates expanding the BIG Program by increasing the amount of deposits, and thus the amount available for loans. “I look forward to seeing the first annual report. We’re also going to be checking in with the banks to follow the progress on loans. Based on my experience, though there are high levels of participation, the major challenge will be growing the program. Right now, we have \$12 million invested, and would like to expand that figure when we renew the program next year. It’s really a way to support local job creation and make an impact in the local economy,” says Beach.



Overview & Points of Contact:

<https://www.wsscwater.com/big>

EXTENSIVE OUTREACH

WSSC's OSDI continues to set the standard for Supplier Diversity by developing a world-class diverse supply chain that adds value. OSDI is critical to WSSC's strategy and is dedicated to creating an inclusive purchasing environment while building sustainable relationships, expanding opportunities, and cultivating growth of MBE and SLBE firms. OSDI has continued to strengthen its efforts to enhance and expand access to WSSC's contracting opportunities for MBE and SLBE firms. The Office strategically plans workshops and trainings to assist in the development of competency and capacity of WSSC'S suppliers. Additionally, OSDI maintains a deliberate presence in the community through various outreach events.

OUTREACH TOOLS

The OSDI uses various tools to enhance its outreach efforts and stakeholder engagement.



WSSC OSDI Website
www.wsscwater.com/supplierdiversity



Weekly E-Alerts



Dedicated Mailboxes:

- OSDI – Supplierdiversity@wsscwater.com
- Web-Based Compliance – wsscwebcompliance@wsscwater.com
- Disparity Study – wsscstudy@wsscwater.com
- MBE & SLBE Policies – OSDIPolicies@wsscwater.com

WSSC's YouTube TELEVISION STATION

Media Outlets – Featured on WPGC-FM On Track Radio Show and The Janice McLean DeLoatch Show

Periodicals – Featured in MEA Magazine and 2017 Small Business Resource Guide (New Jersey Edition)

WSSC Supplier Portal System –
www.wsscwater.com/supplier

WSSC's Web-Based Compliance System –
www.wsscwater.com/supplierdiversity
then Go to "Compliance"

STRATEGIC PARTNERSHIPS

The OSDI 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 successful MBE and SLBE Programs. OSDI also maintains memberships and support for local and national council chambers, associations, and other like-minded organizations. These organizations include: The Women Presidents' Educational Organization (WPEO), and The Capital Region Minority Supplier Development Council (CRMSDC).

In FY 2017, WSSC's OSDI hosted and participated in 133 outreach events with the purpose of creating a lasting footprint on the local business community. OSDI continues to support numerous regional and diverse business development organizations and/or events based in WSSC's community. These events represent various ethnic population segments, as well as specific interests in the public and private sectors of the WSSC region. They include: attending, hosting, and participating in local and regional supplier development workshops and expositions that target MBE, WBE, and small local businesses for contracting opportunities in the public and private sector.

EXTENSIVE OUTREACH CONT.

In FY 2017, WSSC and its OSDI received the following awards under the leadership of Carla A. Reid, GM/CEO and Towanda R. Livingston, Director, OSDI. These awards include:

- Maryland Washington Minority Companies Association's (MWMCA) Minority Outreach Certificate
- Diversity MBA's Top 100 under 50 Diverse Executive Leaders List 2016
- Women of Prince George's County Community Award
- Legacy Business Award at Salute Her: Beauty of Diversity Celebration
- Commitment to the Success of Women's Business Enterprises Award by the Women Presidents' Educational Organization (WPEO)
- Playtime Is Over (PTIO) Global Smashers Award
- Maryland Hispanic Business Conference 2016 Conference Sponsorship Award

- Certificate of Recognition Above & Beyond from WETATi Woman of Integrity & Honor
- Women of Leadership & Power Award from Minority Enterprise Advocate (MEA) Magazine
- Certificate of Special Appreciation from the KoBE Government Contracting Alliance

The Office of Supplier Diversity & Inclusion (OSDI) supports many organization types by:

- Exhibiting to recruit new small, local and minority businesses to do business with WSSC
- Attending partner organization events to network, increase professional development and offer information resources to our diverse suppliers
- Accepting awards and recognition given to the OSDI and WSSC as a result of our dedication to Supplier Diversity and Inclusion
- Sponsoring events to maximize WSSC's exposure and awareness of our MBE and SLBE Programs

FIGURE 28: FY 2017 OSDI OUTREACH EFFORTS DEMOGRAPHICS

DEMOGRAPHIC OF ATTENDEES AND INTENDED AUDIENCE PER OUTREACH EVENT	NUMBER OF EVENTS PER DEMOGRAPHIC
Majority	14
Majority and MBE	8
Majority and SLBE	2
Majority, MBE and SLBE	20
MBE	20
WBE	12
SLBE	2
MBE and SLBE	55
Total	133

Figure 28: The OSDI attended over 100 Outreach Events in FY 17. The chart above details the demographics of attendees and intended/target audiences per event. Unless otherwise stated, "MBE" includes WBE.

FIGURE 29: FY 2017 OSDI OUTREACH EFFORTS BY ORGANIZATION

ORGANIZATION TYPE	NUMBER OF EVENTS
Chamber of Commerce	9
Capital Region Minority Supplier Development Council	5
WSSC Internal/ Supplier Development/ Contract Specific Workshop	45
Non-Profit Organizations	31
Industry Specific Organizations	19
State and Local Government	19
Women Presidents' Educational Organization (WPEO) & Women's Business Enterprise National Council (WBENC)	5

EXTENSIVE OUTREACH CONT.

WSSC would like to sincerely thank the organizations that recognized and/or partnered with it and the OSDI during FY 2017 and looks forward to continued strategic partnerships in the future. In addition to organizations previously mentioned, WSSC would also like to thank:

- African American Chamber of Montgomery County
- Alliance of Hispanic Commercial Contractors (AHCC)
- American Contract Compliance Association (ACCA)
- Asian American & Pacific Islander (AAPI)
- Asian American Chamber of Commerce
- Asian American Political Alliance
- Baltimore County
- Baltimore Metro
- Baltimore Washington Chamber of Commerce (BWCC)
- Bowie Business Service Center
- Capital Region Minority Supplier Development Council (CRMSDC)
- Central Maryland Chamber of Commerce (CMCC)
- Congressional Black Caucus Foundation (CBCF)
- D.C. Department of Small and Local Business Development (DSLBD)
- Greater Washington Hispanic Chamber of Commerce (GWHCC)
- Greater Washington Urban League
- Hispanic American Chamber of Commerce of Montgomery County,
- Institute for Supply Chain Management (ISM) Maryland

WSSC's Brittany Gonzalez, OSDI Supplier Diversity Outreach Coordinator (far left) and Michael Harmer, Division Manager, Regulatory Services (far right) and attendees at the Maryland Women's Business Center Luncheon.



EXTENSIVE OUTREACH CONT.

- KoBE Government Contracting Alliance
- Maryland Association of Counties (MACo)
- Maryland Black Chamber of Commerce
- Maryland Black Mayors Association
- Maryland Department of Transportation (MDOT)
- Maryland Hispanic Business Conference
- Maryland Washington Minorities Company Association (MWMCA)
- Maryland Women's Business Center (MWBC)
- Mid-Atlantic Region Minority Business Development Agency (MBDA)
- Minority Enterprise Advocate (MEA) Magazine
- Montgomery County Office of Procurement
- National Association for the Advancement of Colored People (NAACP) Montgomery County MD Chapter
- Prince George's County Chamber of Commerce
- Prince George's County Supplier Diversity & Development Division (SDDD)
- ProBiz
- Rockville Economic Development, Inc. (REDI)
- ShoWorks Inc.
- Small Business Development Center (SBDC)
- Society of Marketing Professional Services (SMPS)
- State of Maryland Governor's Office of Minority Affairs (GOMA)
- Sterling Women of Washington
- The Blue Book Network
- Washington Business Journal (WBJ)
- Washington Metro Area Transit Authority (WMATA)
- WETATi
- Women as Veteran Entrepreneurs (WAVE)
- Women Business Owners of Montgomery County
- Women Business Owners of Prince George's County
- Women of Prince George's County
- Women Presidents' Educational Organization (WPEO)

“WPEO DC was proud to support WSSC in its efforts to deliver motivation and information to the women business owners at the 2017 Women Business Owners’ Expo. Each year we are able to help business owners understand the value of being certified and counted in the diverse spend of companies like WSSC.”

SANDRA EBERHARD, EXECUTIVE DIRECTOR, WPEO DC

WSSC'S 7TH ANNUAL WOMEN BUSINESS OWNERS' EXPO

Attendees at WSSC's 7th Annual Women Business Owners Expo in March 2017.



The WSSC's 7th Annual Women Business Owners' Expo took place on March 31, 2017 in Montgomery County. This event provided a unique opportunity for women business owners and other local and state government agencies to receive invaluable information and resources to help them conduct business with WSSC and grow their businesses. The event theme was *Trailblazers! Paving the Way to Greatness!* The day kicked off with rousing remarks from WSSC's OSDI Director, Towanda R. Livingston, followed by inspiring words by General Manager and CEO of WSSC, Carla A. Reid.

Throughout the day, women from various industries including construction, architecture, engineering, and goods and professional services heard from several dynamic guest speakers including international motivational speaker and life coach Bershaw Shaw; motivational speaker, entrepreneur and attorney Nicole Mason; and international motivational speaker and wellness coach Cynthia Dougherty. Attendees were also able to visit the thirty (30) organizational partners that participated as exhibitors from the supplier diversity community, engage in nine (9) enrichment workshops, and register onsite to do business with WSSC.

WSSC'S ACCESS TO CAPITAL, BONDING & INSURANCE EVENT

WSSC'S ACCESS TO CAPITAL, BONDING & INSURANCE EVENT

On June 28, 2017, OSDI hosted the Access to Capital, Bonding and Insurance Special Outreach event. The event was free to attend and was held at WSSC's Headquarters in Laurel, MD. The OSDI gathered local and regional experts from various public and private organizations to provide attendees with information, to address vendor's questions, and to direct vendors to resources to assist them in growing and sustaining their diverse and small businesses. The event included: a presentation of WSSC's BIG program by WSSC's CFO; a panel which included the participating banks in the BIG Program; Bonding and Insurance information; and a small business support panel which included a virtual HR specialist and media consultant.



Panelists at the Access to Capital, Bonding & Insurance Special Outreach Event.



Chris Lawson, WSSC Commissioner (third from left);
Carla A. Reid, WSSC's GM/CEO and Towanda R. Livingston,
Director OSDI (center) along with several participants of
the Access To Capital Special Outreach Event.

THE ROAD TO EXCELLENCE:

NAVIGATING THE WAY TO DIVERSITY AND INCLUSION

Over the course of FY 2017, WSSC has taken decisive measures to further demonstrate its strong commitment to engaging and including diverse and small local businesses. Results of the 2015 Disparity Study became the basis of the aspirational MBE contract payments goals for WSSC's four (4) broad contracting areas and the adoption of a progressive supplier diversity business model that encourages capacity development and economic growth among local, small, and minority-owned businesses. Subsequently, the development and adoption of our enabling Standard Procedures and policies for the SLBE and MBE Programs positioned our Programs to provide economically-empowered assistance to our small and diverse firms by offering prime and subcontractor-related opportunities reflected in the FY 2017 Performance Results. This journey to excellence took a leap forward on May 4, 2017, when Governor Hogan signed HB 319 into law, which reauthorized WSSC's MBE Program through June 2022, and included the name change for the Small Local, and Minority Business Enterprise (SLMBE) Office to the Office of Supplier Diversity and Inclusion (OSDI).

Although the office name has changed, our commitment to small, local, and minority businesses has not. Towanda R. Livingston, Director of OSDI, affirms, "Our name change reflects the evolution of our supplier diversity efforts, which includes proactive and remedial inclusion efforts to ensure the agility, growth, sustainability, and value that our diverse supplier communities add to our supply chain and the broader marketplace. Our name has changed; however, our dedication and commitment to delivering on our mission remains steadfast, and with laser-like focus we will pursue, with your

support, our commitment to deliver services and support to our stakeholders with excellence. We will continue to support the Commission in achieving its supplier diversity objectives by offering trusted and convenient services to both our internal and external stakeholders through customized solutions that center around Supplier Advocacy, Compliance, Extensive Outreach, and Supplier Development." Livingston explains that the OSDI wants to be a force that contributes to the economic development of the communities served by WSSC. "The OSDI incorporated the concept of diversity and inclusion in all programs, not as a response to a modern trend, but to ensure that minorities, women-owned businesses, disadvantaged businesses, and small local businesses all have an unbiased opportunity to compete for our contracts." Livingston adds, "We continue to bring new contractors on board and are focused on engaging strategic partners for long-lasting relationships with our vendor community."

The OSDI team's support has been instrumental to various departments in ensuring participation of SLBE and MBE firms in new projects and spreading the Office's diversity and inclusion advocacy throughout WSSC and its broader community. A great example of the internal collaboration is demonstrated with the involvement of the OSDI in the planning and implementation of the Business Investment and Growth (BIG) Program and WSSC's largest sustainability project to date, the Piscataway Wastewater Treatment Plant (WWTP) Bio-Energy Project. Furthermore, the OSDI's internal support involves education and awareness, smart intervention, and prevention and enforcement through shared accountability when managing contract compliance. Livingston expresses, "The OSDI is here to offer

THE ROAD TO EXCELLENCE CONT.

support ensuring that engagement and success of WSSC projects and supplier efforts is on both ends, from planning to payment. I practice the belief that we have to plan to be successful. Therefore, if at the planning stage we determine that the diverse or small local businesses do not exist, we ensure by the time the opportunity is solicited that they do.”

Over the course of this fiscal year, Livingston proudly reflects on numerous success stories related to vendor and supplier engagement, two of which include:

K & K Adams, Inc., a certified African American Minority Business and a first-time awardee as the prime contractor for the Demolition Services Basic Ordering Agreement (BOA). K & K Adams has done a lot of demolition work for the city of Baltimore. The contract was awarded in April 2017 for the amount of \$8 million. Under this Basic Ordering Agreement (BOA), the Prime contractor is to provide demolition services at various Commission facilities and other properties obtained by the Commission located within Montgomery and Prince George’s counties and those within and surrounding the WSSC watershed.

M. Luis Construction headquartered in Montgomery County is an asphalt manufacturer and construction services company and is the only woman and minority-owned Asphalt Manufacturer and Construction Services company in the country. This firm began working with WSSC in 2006 and served as a subcontractor on many contracts before becoming a Prime Contractor. M. Luis is one of the awardees on the Street Repairs Services Contract, an estimated \$42 million emergency contract. The contract is a part of a Strategic Sourcing Initiative to repair roadways, curbs, gutters, and other damage caused by water main replacement/relocation, and emergency projects.

Livingston is determined to foster strong relationships within the local business community. She asserts, “Sustaining our local economy is something in which we pride ourselves. Our extensive outreach supports us in mitigating barriers for contracting opportunities and fostering broad-based competition.” Livingston adds, “With the new enabling legislation, progressive policies, the name change, and embedding our supplier diversity efforts in our contracting practices, we are re-engineering the playing field.”

However, the OSDI’s work does not end here. Livingston’s team will continue to follow the path that the Commission has paved by: achieving business process excellence and maintaining financial stability by streamlining its internal businesses; fully implementing its Technical Assistance Program (T.A.P.) to build and sustain capacity in WSSC’s marketplace; implementing a Graduation Program; providing diverse and small businesses a resource to access capital; and enhancing compliance measures.

Livingston believes this kind of progress is only possible when all members of an organization are informed of, understand, and believe in the purpose of the supplier diversity efforts and programs. “For us, water is life giving and life sustaining, it is who we are. We maintain reservoirs; however, we want the opportunities to do business with WSSC to flow like a river through the great Prince George’s and Montgomery counties and support and sustain our local and diverse economies.”

WSSC'S CURRENT TO FUTURE STATE OF MBE/SLBE PARTICIPATION

Figure 26 represents a snapshot of the impact of the 2015 Disparity Study on the narrowly-tailored MBE Program's participation that will be afforded to specific classifications of businesses. This figure delineates the present and future state of the Programs as outlined in SP MBE 2017-004 and SP SLBE 2017-005 for prime and subcontractor participation for WSSC's four (4) broad contracting areas, and identifies by "Yes"

or "No" whether a specific classification of business will be afforded participation. Figure 22 incorporates the preference of Service-Disabled Veterans as SLBEs (SLBE-SDV) outlined in SP SLBE 2017-005. The updated OSDI SLBE and MBE participation preferences became effective on April 24, 2017, the effective date for the new Policies.

FIGURE 30: WSSC'S CURRENT STATE OF MBE PARTICIPATION



THE ROAD AHEAD

Since the inception of WSSC's 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. OSDI's affirmative procurement initiatives are an integral part of WSSC's mission to provide value-driven, world-class services to the community.

Looking at the road ahead for MBE and SLBE Programs, WSSC's robust supplier diversity strategy is dedicated to bringing value through collaborative partnerships with the diverse and local small business community. WSSC remains steadfast in its commitment to effectively implement and institutionalize enhancements in the supply chain by expanding access to the widest selection of qualified, diverse suppliers, which bolsters competition in the supplier selection process and brings value to the customers and communities it serves.

It is OSDI's intent to develop solution-oriented, diverse, and local business partners, that continue to bring value to WSSC and the wider community. In FY 2017, the following milestones were reached:

- Concluding and publishing the findings of the completed 2015 Disparity Study;
- Establishing Aspirational Contract Payment Goals on a contract-by-contract basis;
- Updating WSSC's enabling Program policies through SP MBE 2017-004 and SP SLBE-005, which became effective April 24, 2017;
- Securing reauthorization of WSSC's Minority

Business Enterprise Program for another five (5) years through June 2022;

- Obtaining the approval to change the name of the office from the Small, Local and Minority Business Enterprise (SLMBE) Office to the Office of Supplier Diversity & Inclusion (OSDI);
- Implementing and integrating the name change for the Office of Supplier Diversity & Inclusion by the effective date of June 1, 2017;
- Kicking off WSSC's Business Investment and Growth (BIG) Program;
- Providing business development through workshops highlighting ways to obtain Access to Capital via community banks;
- Improving WSSC's Supplier Development via progressive clinics and workshops that focus on developing the capacity, capabilities, capital, creditworthiness and research and development of diverse and local small businesses;
- Hosting targeted outreach events that prepare diverse and local firms' engagement in contracting opportunities and developing the base of diverse suppliers that will be needed for future contracting opportunities, through the Women Business Owners' Expo and Access to Capital, Bonding & Insurance events;
- Improving WSSC's SLBE Program application submittal and approval processes by leveraging technology;
- Introducing its Graduation, Mentor Protege, Small Rotations and Supplier Diversity Distributorship Programs; and
- Enabling value-added programs and services that will support WSSC in achieving its short and long-term operations and objectives.

THE ROAD AHEAD CONT.

In addition, OSDI will continue programmatic development activities to improve the participation and features that may be leveraged to provide the valued, diverse local supplier base the access and means needed to successfully engage in contracting opportunities with WSSC, such as:

- Optimization of Diverse Business Development Program (“ODBDP” formerly Sheltered Market Program);
- Contract-Specific Subcontracting Requirements;
- Expanded Unbundling;
- Expedited Payments;
- Bid Price Preferences; and
- Evaluation Point Preferences

In closing, developing adaptable MBE and SLBE Programs that are fully integrated in WSSC’s contracting practices are vital to the longevity and future of WSSC’s supplier diversity efforts and sustaining WSSC’s local economy. WSSC’s objective remains to ensure inclusion that contributes to achieving and sustaining customer service excellence and supports its organizational objectives. This will be accomplished through a diverse supply chain that timely provides goods and services, saves costs and mitigates risks. In the end WSSC will: Simplify. Focus. Connect.



Thomasina V. Rogers, Commission Chair for WSSC, speaking during WSSC's 7th Annual Women Business Owners Expo in March 2017.

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GLOSSARY OF TERMS

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

Architectural and Engineering Services—Professional or engineering nature; or required to be performed or approved by a person licensed, registered, or certified to provide such services; or related to research, planning, development, design, construction, alteration, or repair of real property; or incidental services, which such individuals perform, including studies, investigations, surveying, mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value operating and maintenance manuals, and other related services.

Aspirational Goals—Aspirational goals are overall benchmarks (metric) used to assess the progress and effectiveness of remedial programs over a period of time. Proposed aspirational goals are based on the availability and utilization data identified in the WSSC Relevant Market Area as presented in the 2015 Disparity Study. Aspirational Goals are applied on a contract-by-contract basis. Current WSSC-approved Aspirational Goal targets are as follows: Architecture and Engineering - 24%; Construction - 13%; Goods and General Services - 33%; Professional Services - 23%.

Award—The final selection of a bidder or offer or 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.

Bidders List—The list of sources of supply for each category of goods and supplies, services, or construction purchased by WSSC.

Business—Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

Change Order—A unilateral written order signed by the Chief Procurement Officer or designee, directing the contractor to make changes without the consent of the contractor.

Chief Procurement Officer—The head of the central procurement and supply chain management function of WSSC.

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

Compliance—Conformance between WSSC's contracting vehicle and our enabling policy. This includes: educational awareness, enforcement, and prevention. Assuring that what is promised is what is paid. Also, for the Office of Supplier Diversity & Inclusion, reviewing and reporting data to provide an accurate picture of how the MBE and SLBE Programs are performing.

GLOSSARY OF TERMS CONT.

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.

Contract—All types of WSSC agreements for the procurement or disposal of goods and supplies, services, professional services, architectural and engineering services, or construction, regardless of what they may be called. For OSDI purposes a contract includes purchase orders.

Contract Type—WSSC's four broad contracting areas: Architectural and Engineering, Construction, Goods and Services, and Professional Services.

Contractor—Any person having a contract with WSSC.

Data—Recorded qualitative or quantitative information, regardless of form, that can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

Disparity Study—The study prepared by MGT of America, Inc. of Tallahassee, FL ("MGT") that statistically analyzed WSSC prime contracts and subcontracts during the period July 1, 2009 to June 30, 2014. For the purposes of analyzing Prime Contractor utilization, the Disparity Study considered purchase orders and direct payments that were extracted from several WSSC data sources and

opened or issued from the period July 1, 2009 to June 30, 2014. In the Disparity Study, each purchase order and direct payment is referred to as a contract..

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

Fiscal Year (FY)—WSSC's Fiscal Year is July 1 through June 30.

General Manager/Chief Executive Officer (GM/CEO)—The most senior manager in the WSSC organization chart, who is referred to as "General Manager" in Title 18 of the Public Utilities Article and in certain WSSC Standard Procedures and other official WSSC documents, and any successor position thereto irrespective of name.

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 MBE and SLBE Programs in increasing participation of ready, willing and able MBEs and SLBEs 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.

GLOSSARY OF TERMS CONT.

Graduation—A MBE or SLBE firm permanently graduates from WSSC’s MBE and/or SLBE Programs when it meets the criteria stated in SP MBE 2017-004 and SP SLBE 2017-005.

Minority Business Enterprise (MBE or MWBE)— MBE is used in two ways in this report:

- 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.
- When used in conjunction with graphs and tables in this report, it includes women-owned businesses, unless specifically designated.

Office of Supplier Diversity & Inclusion (“OSDI” or “Supplier Diversity Office”)—The office responsible for planning, managing, coordinating, and monitoring the Commission’s Minority Business Enterprise Program in accordance with State Law. (formerly the Small, Local and Minority Business Enterprise (SLMBE) Office.

Optimization of Diverse Business Development Program (“ODBDP”)—An affirmative procurement initiative designed to identify a portion of WSSC

procurements and contracts for bidding exclusively by WSSC-Approved SLBEs/SLBE-SDVs to facilitate their competitive development (formerly Sheltered Market Program).

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

Procurement—Buying, purchasing, renting, leasing, or otherwise acquiring any goods and supply services related to those goods and services, and any kind of professional services, including consultants, architectural and engineering services, or construction. It also includes all functions under the Chief Procurement Officer, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

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 MBE contract payment data.

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

Procurement Officer—Any WSSC employee duly authorized to enter into and administer contracts and make written determinations with respect thereto.

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.

GLOSSARY OF TERMS CONT.

Public Notice—The distribution or dissemination of information to interested parties using methods that are reasonably available, including newspapers, electronic or paper mailing, and web sites.

Service-Disabled Veteran Small Local Business Enterprise (SLBE-SDV or SDV-SLBE)—A firm that is certified as a Service-Disabled Veteran-owned and approved to participate in WSSC’s SLBE Program as defined in SLBE 2017-005. Firms must meet the approval criteria of SLBE firms.

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.

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 Enterprise Office (SLMBE Office)—now known as the “Office of Supplier Diversity & Inclusion (“OSDI”)”.

Solicitation—An invitation for Bids, a Request for Proposals, a request for quotations, an invitation for qualification, or any other document issued by WSSC for the purpose of soliciting bids or proposals to perform a WSSC contract.

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

Standard Procedure(s)—Refers to SP MBE and SP SLBE (or any successor SP, except where other WSSC Standard Procedure is expressly indicated). The terms “Policy”, “policy” “Policies” “policies” “Program” “Programs” are used synonymously with “SP” herein.

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

Subcontractor—A person or business that is providing or performing an essential aspect of the contract under the direction of the contractor.

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

Waiver—An exclusion from the provisions of the MBE or SLBE Program requirements granted by the Commission.

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 females. For purposes of this report, MBE includes WBE.

WSSC’s Supplier Portal—Serves as the central (and only) site for suppliers to register to do business with WSSC.

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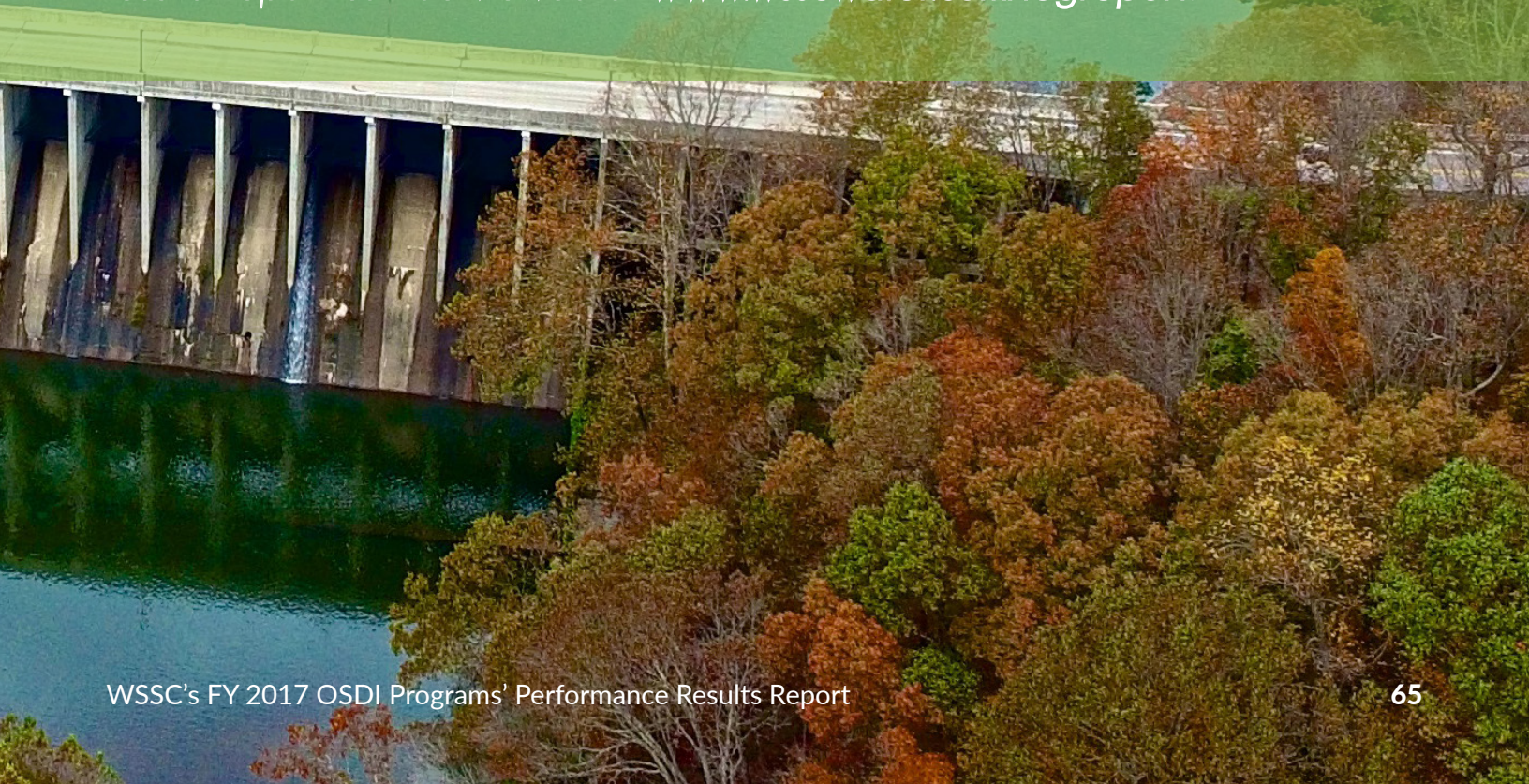
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