



Office of Supplier Diversity & Inclusion

Fiscal Year 2022 Performance Report

WSSC Water Commissioners



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

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

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A Message from General Manager and CEO Carla Reid

It has been my life's honor to serve as WSSC Water's General Manager and CEO for the past six and a half years. During this time, we have made substantial progress on our journey to become THE world-class water utility, where excellent products and services are always on tap.

But the journey to world class is not one we can make alone. WSSC Water has been blessed to have skilled strategic partners within our vendor community working side-by-side our dedicated employees.

Our relationships with small and diverse businesses have not only allowed us to deliver on our clean-water mission, but it has also enabled us to foster economic growth throughout Prince George's and Montgomery counties by delivering on key projects, including:

- Piscataway Bioenergy Project;
- Laboratory Building Expansion;
- Potomac Water Filtration Plant Upgrades; and
- Water/Sewer Reconstruction Programs.

I'm proud to report that over the past six years, we've awarded more than \$1 Billion in contracts to minority- and women-owned businesses. Those contracts contribute to economic inclusion and equity in our contracting process, create jobs and help generate wealth in diverse communities.

Here are a few key accomplishments from our Minority Business Enterprise (MBE) and Small Local Business Enterprise (SLBE) Programs in Fiscal Year 2022:

- Spending \$140 million (28 percent) with diverse businesses, including 84 percent within the Maryland and Washington D.C. region;
- Awarding \$358 million (28 percent) to diverse businesses; and
- Spending \$38 million with WSSC Water-approved SLBE firms.

You'll find more details about our accomplishments in this Performance Report.

As always, thank you for your unwavering support of WSSC Water as we strengthen contracting opportunities for our diverse business community while delivering essential services to the communities we proudly serve!

Carla A. Reid
General Manager and CEO

An aerial photograph of a long, narrow canal or waterway. The canal is filled with water that reflects the surrounding dense green trees and foliage. To the left of the canal, there is a wide, light-colored dirt path or road. The trees are thick and lush, creating a canopy over the water and path. The overall scene is peaceful and natural.

About WSSC Water

Established in 1918, **WSSC Water is currently among the largest water and wastewater utilities in the nation**, with a network of approximately 11,000 miles of water and sewer mains covering nearly 1,000 square miles in Prince George's and Montgomery counties. We serve 1.9 million residents through approximately 475,000 customer accounts. WSSC Water drinking water has always met or exceeded federal standards.



WSSC Water Operates and Maintains:



3 reservoirs – Triadelphia, Rocky Gorge, and Little Seneca have a total holding capacity of 14 billion gallons (Note: Jennings Randolph Reservoir holds an additional 13 billion gallons of water shared with Fairfax Water and the Washington Aqueduct).



2 water filtration plants – The Patuxent (max 110 million gallons per day (MGD)) and the Potomac (max 280 MGD) plants have the capacity to produce a total of 390 MGD of safe drinking water.



6 water resource recovery facilities* – Western Branch, Piscataway, Parkway, Seneca, Damascus, and Hyattstown with a total capacity to treat and disinfect 95 million gallons of wastewater per day.

* The Blue Plains Advanced Wastewater Treatment Plant, operated by DC Water, handles as much as an additional 169 MGD under a cost-sharing agreement with WSSC Water, treating on average approximately 65 percent of WSSC Water's wastewater annually.





Fiscal Year 2022 Programs Performance Results

Office of Supplier Diversity & Inclusion

The Office of Supplier Diversity & Inclusion (OSDI) is committed to supporting diverse businesses. Since 1978, the office has administered WSSC Water's Minority Business Enterprise (MBE) Program (race and gender conscious) with the addition of the Small Local Business Enterprise (SLBE) Program (race and gender neutral) in 2001. Both programs continue to respond to the urgent need to eliminate barriers to success in the public market place for Prime Contractors and Subcontractors. The MBE and SLBE Programs reflect the commitment of the Commissioners, General Manager and Senior Leadership Team. This commitment reflects an understanding of the economic impact and level of job creation generated by the diverse businesses in the communities we serve. WSSC Water understands that when our diverse businesses experience growth in a fair and inclusive environment, our entire community benefits.

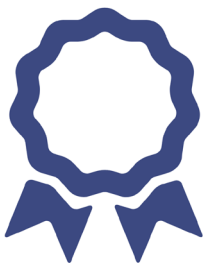
Minority Business Enterprise (MBE) Program

The continuation of the MBE Program at WSSC Water remains a critical component to remedying the effects of discrimination and eliminating barriers to contracting opportunities for diverse businesses. For more than 40 years, the MBE Program has sought to promote fair and inclusive contract participation, provide greater access for diverse firms, and produce educational content to further develop diverse businesses.

This combined approach has yielded the following key results for Fiscal Year 2022.

MBE Payments

- WSSC Water spent \$140 million (28%) with diverse businesses
- WSSC Water met or exceeded its Aspirational Goals for payments to diverse firms in Architecture & Engineering, Construction Services and Professional Services
- WSSC Water spent 84% of its MBE payments with firms located in Maryland and Washington D.C.



MBE Awards

- WSSC Water awarded \$1.2 billion in contracts, which included \$358 million (28%) in contract awards to diverse businesses
- WSSC Water exceeded its Aspirational Goals for contract awards to diverse firms in Architecture & Engineering, Construction Services and Professional Services
- WSSC Water awarded 20% of its MBE contract awards at the prime contracting level

For the purpose of the FY 2022 Office of Supplier Diversity & Inclusion Performance Report, WSSC Water’s contract payments and contract awards are based on the service areas of Prince George’s and Montgomery Counties, other surrounding communities/counties in Maryland, Washington D.C. and out-of-state cities. Women Business Enterprise (WBE) firms are included in the MBE figures throughout this report, unless otherwise noted. The following pages provide an aggregate of the data for contract payments and contract awards for FY 2022.

FY 2022

WSSC Water spent more than **\$140 million (28%)** with MBE firms

MBE Contract Payments

Figure 1: FY 2022 MBE Contract Payments

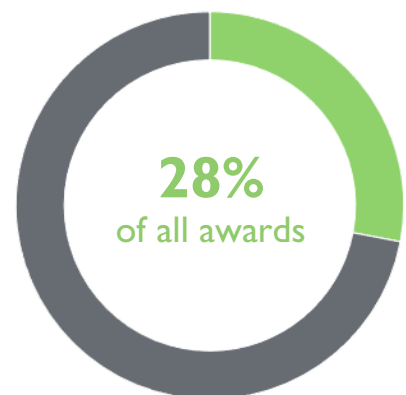


More than **\$140 million** was spent with MBE firms

MBE Contract Awards

Figure 2: FY 2022 MBE Contract Awards

More than **\$358 million** was awarded to MBE firms



MBE Contract Payments

The cornerstone of the MBE Program and a key performance measure is the dollar value of contract payments made to MBE firms. Actual contract payments to MBE firms measure the meaningful success of the MBE Program. The charts and graphs in the figures below provide a breakdown of MBE contract payments. All MBE payments reported for Fiscal Year 2022 have been validated by MBE firms.

In FY 2022, WSSC Water’s contract payments totaled \$506 million, while the MBE contract payments totaled \$140 million (28%), shown in Figure 3. WSSC Water’s total contract payments are categorized into four (4) broad contracting areas: Architecture & Engineering, Construction Services, Goods & Services, and Professional Services. WSSC Water established MBE Aspirational Goals based upon the results of the 2015 Disparity Study.

In FY 2022, WSSC Water met or exceeded the Aspirational Goals for 3 out of 4 contracting areas. Throughout the lifecycle of a contract, several variables influence the utilization of contractors, including change orders, contract scope changes, and the availability of the proposed project team.

Figure 3: Summary of Contract Payments by Contracting Area

Contracting Area	Aspirational Goals	MBE Percent	Combined MBE/WBE Payments	MBE Payments	WBE Payments	Majority Payments	Total Contract Payments
A/E Services	24%	29%	\$11,218,141	\$8,753,089	\$2,465,052	\$27,515,700	\$38,733,841
Construction Services	13%	22%	\$65,490,958	\$51,728,167	\$13,762,791	\$227,958,008	\$293,448,966
Goods & Services	33%	27%	\$35,034,636	\$27,838,160	\$7,196,476	\$95,148,493	\$130,183,129
Professional Services	23%	65%	\$28,674,656	\$26,940,260	\$1,734,396	\$15,491,806	\$44,166,462
Total for all Contract Areas		28%	\$140,418,391	\$115,259,676	\$25,158,715	\$366,114,007	\$506,532,398

Figure 4: MBE Contract Payments by Classification

Figure 4 shows that African-American firms received the largest share of MBE contract payments at 34%, followed by Asian-American and Hispanic-American firms at 22% and 19% respectively.

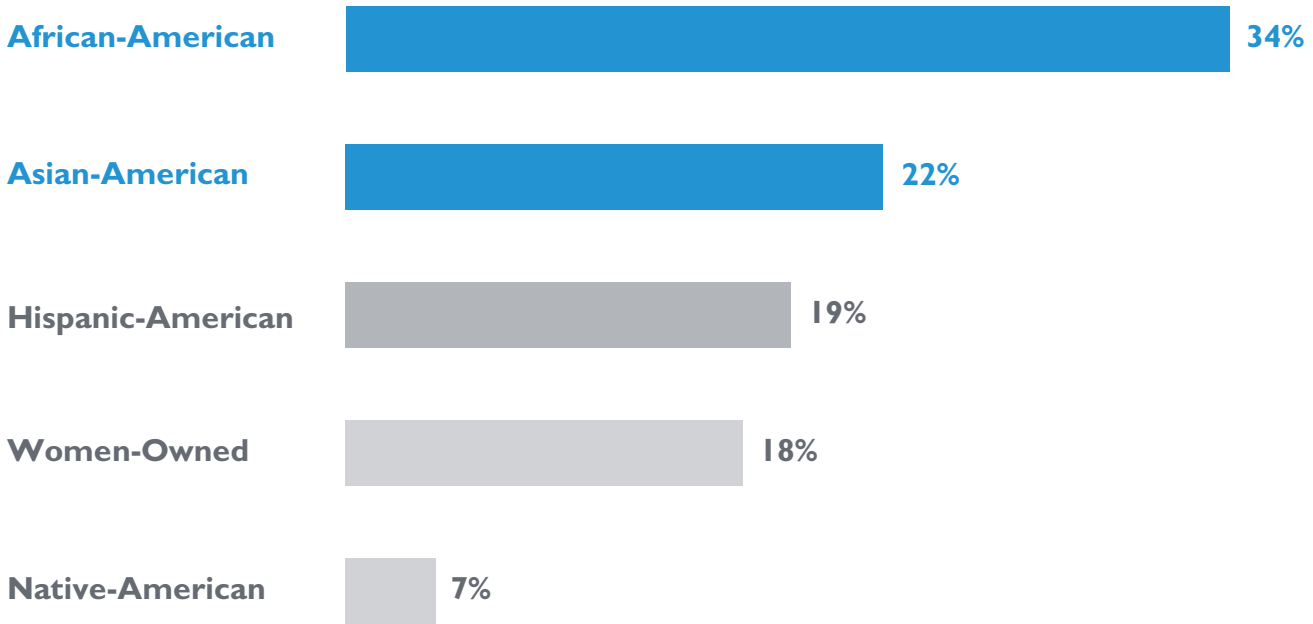


Figure 5: MBE Contract Payments by Location

Figure 5 shows that Maryland and Washington D.C. firms received 84% of WSSC Water's MBE payments in FY 2022. WSSC Water spent 30% with MBE firms in Prince George's County and 13% with firms in Montgomery County.

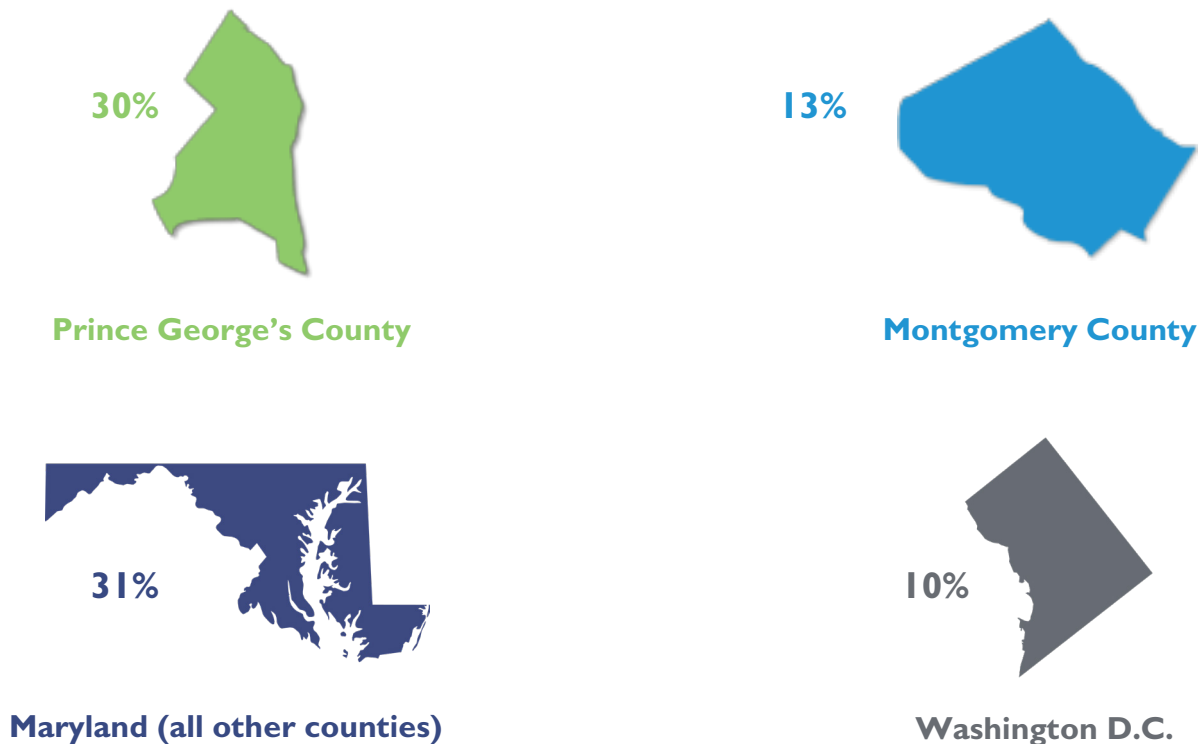


Figure 6: MBE Contract Payments, FY 2018 – FY 2022

Over the past five years, WSSC Water has spent an average of 29% of its total payments with MBE firms.

Fiscal Year	MBE Percent	MBE Payments	Majority Payments	Total Contract Payments
2018	28%	\$146,562,712	\$371,871,789	\$518,434,501
2019	29%	\$152,510,264	\$364,643,293	\$517,153,557
2020	28%	\$136,209,781	\$345,266,091	\$481,475,872
2021	33%	\$154,826,411	\$320,152,055	\$474,978,466
2022	28%	\$140,418,391	\$366,114,007	\$506,532,398
Total	29%	\$730,527,559	\$1,768,047,235	\$2,498,574,794

Four requests for a full or partial waiver of the MBE/SLBE subcontracting goals were received in FY 2022. Of the four requests, two were approved and two were denied.

MBE Contract Awards

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

WSSC Water awarded \$358 million (28%) in contracts to MBE firms as depicted in Figure 7 below. In FY 2022, WSSC Water exceeded the Aspirational Goals in 3 out of 4 contracting areas – Architectural & Engineering, Construction Services and Professional Services.

Figure 7: MBE Contract Awards by Contracting Area

Contracting Area	Aspirational Goals	MBE Percent	Combined MBE/WBE Awards	MBE Awards	WBE Awards	Majority Awards	Total Contract Awards
A/E Services	24%	27%	\$8,645,700	\$7,350,700	\$1,295,000	\$23,822,300	\$32,468,000
Construction Services	13%	28%	\$319,157,767	\$150,354,608	\$168,803,159	\$810,090,465	\$1,129,248,232
Goods & Services	33%	16%	\$15,586,970	\$14,106,647	\$1,480,323	\$81,009,593	\$96,596,563
Professional Services	23%	39%	\$15,493,577	\$13,526,310	\$1,967,267	\$23,776,085	\$39,269,662
Total for all Contract Areas		28%	\$358,884,014	\$185,338,265	\$173,545,749	\$938,698,443	\$1,297,582,457

Of the \$358 million in MBE contract awards, more than \$70 million (20%) was awarded to prime MBE firms and another \$287 million to MBE subcontractors.

Figure 8: MBE Prime and Subcontractor Contract Awards

Contracting Area	Prime Percent of MBE Awards	MBE Prime Awards	MBE Subcontractor Awards	Total MBE Contract Awards
A/E Services	0%	\$0	\$8,645,700	\$8,645,700
Construction Services	16%	\$51,347,061	\$267,810,706	\$319,157,767
Goods & Services	75%	\$11,621,822	\$3,965,148	\$15,586,970
Professional Services	51%	\$7,951,971	\$7,541,606	\$15,493,577
Total for all Contract Areas	20%	\$70,920,854	\$287,963,160	\$358,884,014

Over the past 5 years, WSSC Water has awarded more than \$930 million in contracts to MBE firms – an average of 26% of its contracts (see Figure 9).

Figure 9: MBE Contract Awards, FY 2018 – FY 2022

Fiscal Year	MBE Percent	MBE Contract Awards	Majority Total Contract Awards	Total Contract Awards
2018	26%	\$157,038,252	\$451,232,104	\$608,270,356
2019	27%	\$133,537,447	\$357,347,813	\$490,885,260
2020	21%	\$145,442,589	\$541,126,525	\$686,569,114
2021	29%	\$136,352,022	\$335,109,313	\$471,461,335
2022	28%	\$358,884,014	\$938,698,443	\$1,297,582,457
Total	26%	\$931,254,324	\$2,623,514,198	\$3,554,768,522

Small Local Business Enterprise (SLBE) Program

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

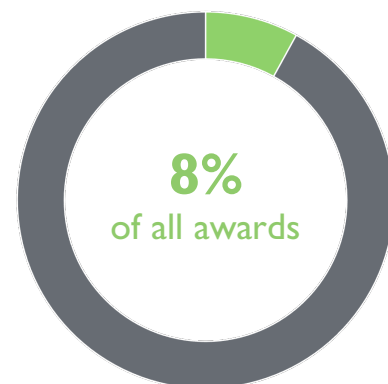
Figure 10: FY 2022 SLBE Contract Payments

Over \$38 million
was spent with SLBE firms in FY 2022



Figure 11: FY 2022 SLBE Contract Awards

Over \$102 million
was awarded to SLBE firms in FY 2022



SLBE Contract Payments

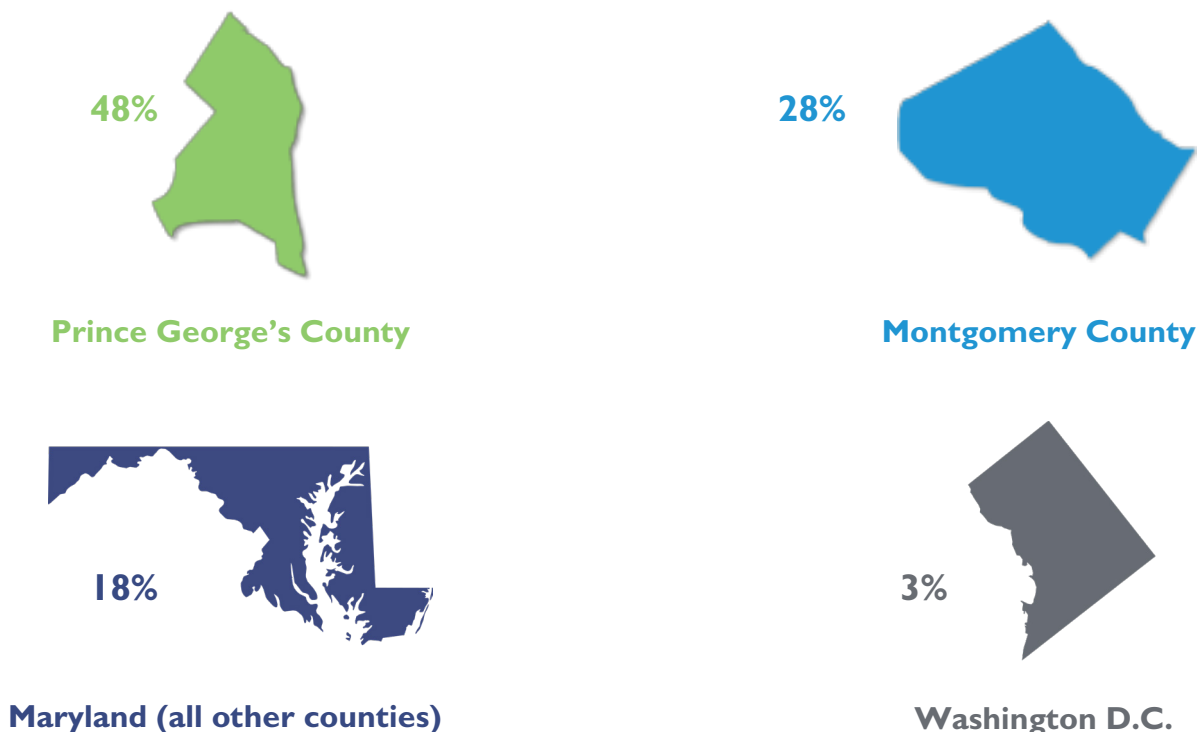
WSSC Water spent \$38 million with WSSC Water-Approved SLBE firms, as depicted in Figure 12, with more than \$27 million in the Construction Services contracting area.

Figure 12: SLBE Contract Payments by Contracting Area

Contracting Area	SLBE Contract Payments
A/E Services	\$2,933,077
Construction Services	\$27,784,282
Goods & Services	\$7,715,499
Professional Services	\$110,644
Total for all Contract Areas	\$38,543,502

Figure 13 shows that 48% of SLBE payments went to firms located in Prince George’s County and another 28% to firms in Montgomery County. Firms are eligible for consideration in WSSC Water’s SLBE Program if the firm’s principal location is in Prince George’s or Montgomery County, or if at least 25% of the firm’s workforce resides in either county.

Figure 13: SLBE Contract Payments by Location



SLBE Contract Awards

WSSC Water awarded \$102 million to WSSC Water-Approved SLBE firms in FY 2022, as depicted in Figure 14, with more than \$97 million in the Construction Services contracting area.

Figure 14: SLBE Contract Awards by Contracting Area

Contracting Area	SLBE Prime Awards	SLBE Subcontractor Awards	Total SLBE Contract Awards
A/E Services	\$0	\$700,000	\$700,000
Construction Services	\$4,272,540	\$93,347,910	\$97,620,450
Goods & Services	\$3,638,085	\$283,430	\$3,921,515
Professional Services	\$0	\$120,000	\$120,000
Total for all Contract Areas	\$7,910,625	\$94,451,340	\$102,361,965



Our Commitment

Our Commitment



Increasing contracting opportunities to remedy the effects of discrimination for diverse firms in our contracting process remains our key focus and mission. The findings from our most recent independent Disparity Study illustrate that disparities remain in both public and private sector markets, and that WSSC Water's Minority Business Enterprise Program should continue.

Over the next year, WSSC Water will provide recommendations to the Maryland General Assembly for the continuation of our MBE Program, which is scheduled to sunset on June 30, 2023. Additionally, updates to our MBE and SLBE Program regulations will be presented to WSSC Water's Board of Commissioners for adoption.

Our Commissioners, General Manager/CEO, Senior Leadership Team and Office of Supplier Diversity & Inclusion remain committed to eliminating disparities in contracting for our diverse supplier community. For more information about WSSC Water's Office of Supplier Diversity & Inclusion and our MBE and SLBE Programs, visit www.wsscwater.com/SupplierDiversity.