



Office of Supplier Diversity & Inclusion

Fiscal Year 2023 Performance Report





MESSAGE FROM COMMISSION CHAIR REGINA SPEED-BOST

We are pleased to provide our Office of Supplier Diversity & Inclusion Fiscal Year 2023 Performance Report. As you will see in this report, WSSC Water continued to strengthen opportunities for small and diverse businesses in our marketplace this past year. Our numbers reflect steady growth in spending and contracts awarded to minority-owned, women-owned and small businesses.

Building on our priority to expand diversity, equity, inclusion and environmental justice, we worked closely with our elected partners to successfully reauthorize our Minority Business Enterprise (MBE) Program for another five years. As a governing board, we also approved key updates to WSSC Water's MBE regulations and strongly support management's efforts to enhance outreach efforts to MBE, Women Business Enterprise (WBE), and Small Local Business Enterprise (SLBE) firms.

On behalf of the Commissioners, I assure you that we remain forward focused and will continue to track supplier diversity efforts and look for opportunities to grow our numbers. After all, our success in meeting the clean-water needs of our 1.9 million customers throughout Prince George's and Montgomery counties is directly connected to the strong relationships we have with small and diverse businesses.

We hope you enjoy reading about our accomplishments in this year's Performance Report and thank you for your support of WSSC Water and our efforts to increase contracting opportunities for small and diverse businesses.

Forward Focused,

Regina Y. Speed-Bost
WSSC Water Commission Chair

WSSC WATER COMMISSIONERS



Regina Y. Speed-Bost
Chair | Prince George's County



T. Eloise Foster
Vice Chair | Montgomery County



Fausto R. Bayonet
Montgomery County



Howard A. Denis
Montgomery County



Lynnette D. Espy-Williams
Prince George's County



Mark J. Smith
Prince George's County

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

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



MESSAGE FROM GENERAL MANAGER AND CEO KISHIA L. POWELL

For over a century, the men and women of WSSC Water, Team H₂O, have proudly provided high-quality drinking water to the residents and businesses in Montgomery and Prince George's counties and safely returned clean water back to the environment.

This track record of water quality excellence and environmental protection is a testament to the passion and commitment of our workforce. But it's also a testament to the unwavering support we receive from the dedicated small and diverse businesses who work alongside us to fulfill our one-water mission.

Throughout the pages of this Office of Supplier Diversity & Inclusion Fiscal Year 2023 Performance Report, you'll see the results of our ongoing efforts to forge strong relationships with our diverse industry partners. The proof is in the numbers:

- Spending 28% of our overall payments with diverse businesses - \$148 million;
- Exceeding our goals for payments to diverse businesses in 3 out of 4 contracting areas; and
- Awarding \$101 million, 29%, in contracts to diverse enterprises.

These critical relationships have enabled us to create jobs and foster economic growth throughout both counties. For every \$1 million invested in water projects, 15-18 jobs are created. That's on par with investment in the military, clean energy, transportation and health care. So, investing in water works for businesses, our customers and the economy.

And we have more work to do. Over the next six years, we plan to spend nearly \$5 billion to replace critical infrastructure to ensure the delivery of clean, safe and reliable drinking water and wastewater services to our 1.9 million customers.

In looking to the future, know we will not rest on past successes. We are laser-focused on integrating diversity, equity, inclusion and environmental justice in all we do. With the full support of our Commissioners, we are united in our efforts to address the disparities in our contracting and procurement and to strengthen opportunities for diverse businesses.

We will work to ensure that a rising tide lifts all boats. That is my commitment to you.

Yours in service,

Kishia L. Powell

TABLE OF CONTENTS

About WSSC Water

1

WSSC Water at a glance

Fiscal Year 2023 Performance Results

2

Minority Business Enterprise (MBE) Program
Small Local Business Enterprise (SLBE) Program

Innovation + Partnership

15

M/WBE Spotlight: Biosolids Hauling

Our Commitment

16

Acronym Key

- Minority Business Enterprise (MBE)
- Office of Supplier Diversity & Inclusion (OSDI)
- Small Local Business Enterprise (SLBE)
- Women-Owned Business Enterprise (WBE)



WSSC WATER AT A GLANCE

Established in 1918, WSSC Water is the largest water/wastewater utility in Maryland and among the largest in the nation. Our service area spans approximately 1,000 square miles in Prince George's and Montgomery counties. We proudly serve 1.9 million residents with safe and reliable drinking water and help protect the Chesapeake Bay by treating and returning clean water back to Maryland waterways.

105 years & counting
No drinking water quality violations...ever!



162,000,000 GALLONS OF WATER PER DAY
DELIVERED TO 1.9 MILLION RESIDENTS

3 RESERVOIRS **2** WATER FILTRATION PLANTS

60 WATER TANKS **55** PUMPING STATIONS

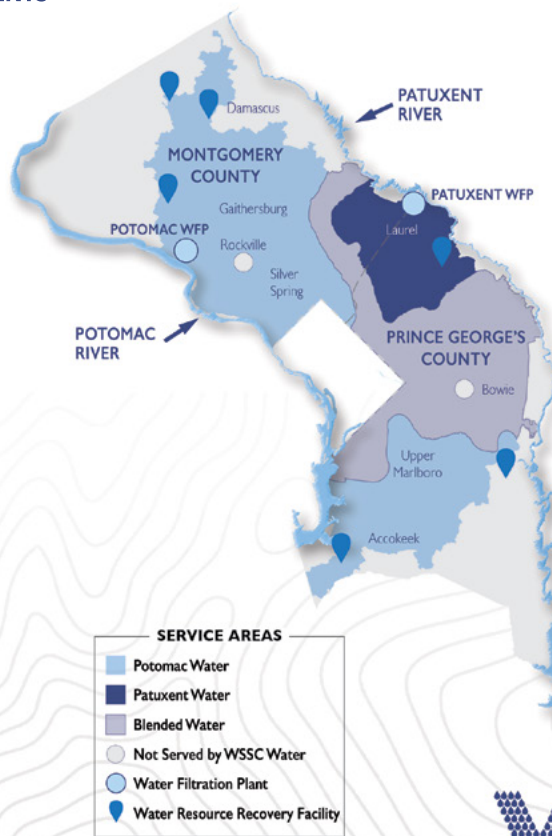
6 WATER RESOURCE RECOVERY FACILITIES

500,000 WATER QUALITY TESTS PER YEAR

504,800 METERS IN OUR SYSTEM

2.25M METER READS PER YEAR

Our drinking water system spans **5,800+ miles**
Our wastewater system spans **5,600+ miles**





FISCAL YEAR 2023 KEY REPORT FINDINGS

This Performance Report provides an overview of the performance of the MBE and SLBE programs and insights on key metrics over the last fiscal year. Our contract payments and contract awards are based on the service areas of Prince George’s and Montgomery Counties, other surrounding areas in Maryland, Washington D.C. and out-of-state cities. WBE firms are included in the MBE figures throughout the report unless otherwise noted.

\$148m

WSSC Water spent more than **\$148 million (28%)** with MBE firms

\$101m

WSSC Water awarded more than **\$101 million (29%)** to MBE firms

3 of 4

WSSC Water exceeded its Aspirational Goals in **3** of the **4** contracting areas

50%

50% of the total MBE contract awards were awarded to MBE firms as Prime Contractors

\$31m

WSSC Water spent **\$31 million (6%)** with SLBE firms

\$17m

WSSC Water awarded more than **\$17 million (5%)** to SLBE firms

FISCAL YEAR 2023 MBE PROGRAM RESULTS

Office of Supplier Diversity & Inclusion

Since 1978, the OSDI has been responsible for administering WSSC Water's MBE Program and the SLBE Program since 2001. Both programs continue to respond to the urgent need to eliminate barriers to succeed in the public marketplace for prime contractors and subcontractors. The MBE and SLBE Programs reflect the commitment of the Commissioners, General Manager and Senior Leadership Team and aligns with our focus on prioritizing Diversity, Equity, Inclusion and Environmental Justice. WSSC Water understands that when businesses experience growth in an equitable and inclusive environment, that the economic impact benefits our entire community.

MBE Program Contract Payments

A key performance measure of the MBE Program 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. During 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.



More than \$148 million
was spent with MBE firms

Figure 1: FY 2023 MBE Contract Payments



More than \$101 million
was awarded to MBE firms

Figure 2: FY 2023 MBE Contract Awards

MBE Contract Payments by Contracting Area

In FY 2023, WSSC Water’s contract payments totaled over **\$530 million**, while MBE contract payments totaled over **\$148 million**, or **28%** of all contract payments, as shown in Figure 1. In FY 2023, WSSC Water exceeded **3 of the 4 Aspirational Goals**, as shown in Figure 3.

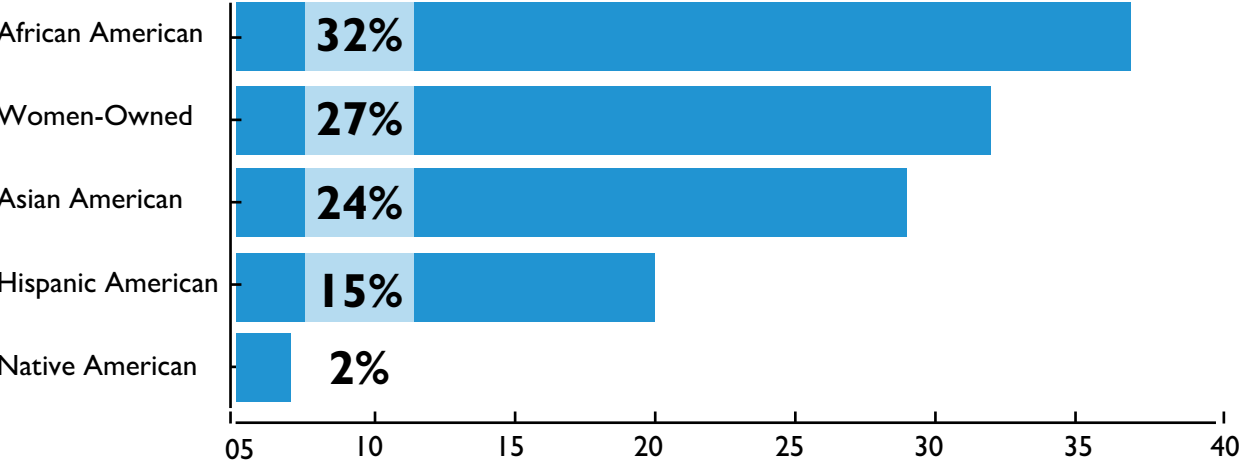
Figure 3: MBE Contract Payments by Contracting Area

Contracting Area	Aspirational Goals	MBE Percent	Combined MBE/WBE Payments	MBE Payments	WBE Payments	Majority Payments	Total Contract Payments
A&E Services	24%	32%	\$13,306,424	\$11,405,013	\$1,901,411	\$27,700,727	\$41,007,151
Construction Services	13%	25%	\$79,528,797	\$50,952,879	\$28,575,918	\$243,487,980	\$323,016,777
Goods & Services	33%	26%	\$31,962,865	\$23,505,957	\$8,456,908	\$91,234,595	\$123,197,460
Professional Services	23%	52%	\$23,630,228	\$22,158,364	\$1,471,864	\$21,725,181	\$45,355,409
Total for all Contract Areas		28%	\$148,428,314	\$108,022,213	\$40,406,101	\$384,148,483	\$532,576,797

MBE Contract Payments by Classification

Figure 4 shows a breakdown of MBE contract payments by each recognized MBE classification. African American firms received the largest share of MBE contract payments, with **32%** of payments, followed by Women-Owned firms at **27%**. Asian American firms received **24%** of MBE contract payments, Hispanic American firms received **15%** and Native American firms received **2%**.

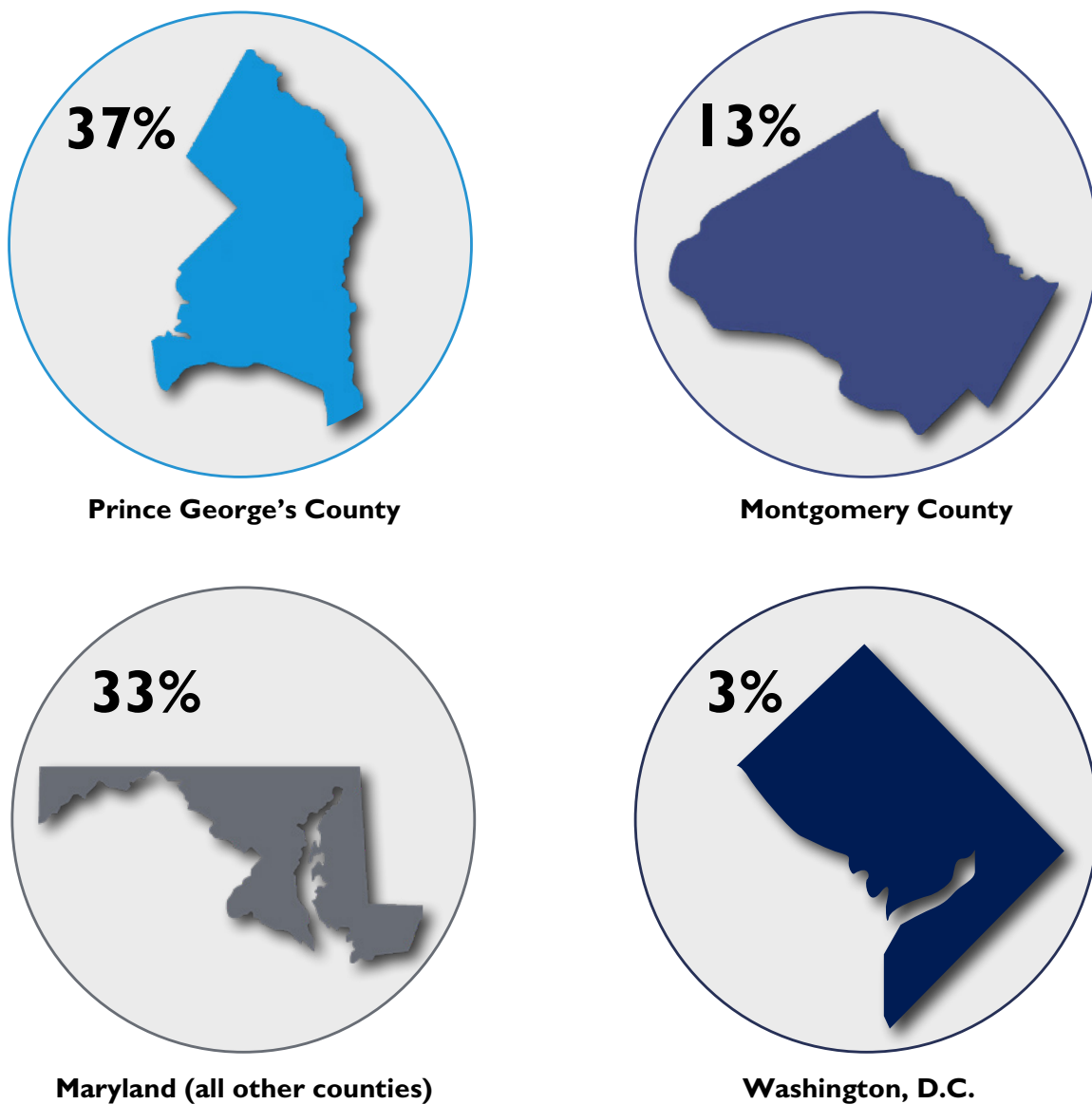
Figure 4: MBE Contract Payments by Classification



MBE Contract Payments by Location

Figure 5 shows that Maryland and Washington D.C. firms received **86%** of WSSC Water’s MBE payments. WSSC Water spent **37%** with MBE firms in Prince George’s County and **13%** with MBE firms in Montgomery County.

Figure 5: MBE Contract Payments by Location



MBE Contract Payments, Five-Year Comparison (FY 2019 – FY 2023)

As indicated in Figure 6, for the past five years, WSSC Water has spent an average of **29%** of its total payments with MBE firms.

Figure 6: MBE Contract Payments FY 2019-2023

Fiscal Year	MBE Percent	MBE Payment	Majority Payments	Total Contract Payments
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
2023	28%	\$148,428,314	\$384,148,483	\$532,576,797
Total	29%	\$732,393,161	\$1,780,323,929	\$2,512,717,090

Three requests for a full or partial waiver of the MBE/SLBE subcontracting goals were received in FY 2023. Of the three requests, two were approved and one was denied.

MBE Contract Awards

Contract awards are a leading indicator of future contract payments. It represents upcoming contracting needs for WSSC Water and can provide a forecast of future spending. Many contracts have multi-year terms, and the impact of contract award dollars on contract expenditures may extend beyond a single fiscal year.

WSSC Water awarded more than **\$345 million** in contracts, with MBE contract awards totaling more than **\$101 million**, or **29%** of total contract awards, as shown in Figure 7. WSSC Water exceeded the Aspirational Goals for **3** out of **4** contracting areas.

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%	\$8,982,500	\$7,261,500	\$1,721,000	\$24,567,500	\$33,550,000
Construction Services	13%	30%	\$38,150,734	\$24,371,916	\$13,778,818	\$90,443,493	\$128,594,227
Goods & Services	33%	31%	\$41,300,553	\$32,268,452	\$9,032,101	\$90,304,364	\$131,604,917
Professional Services	23%	25%	\$13,176,207	\$12,611,855	\$564,352	\$38,616,433	\$51,792,640
Total for all Contract Areas		29%	\$101,609,994	\$76,513,723	\$25,096,271	\$243,931,790	\$345,541,784

MBE Prime and Subcontractor Contract Awards

Figure 8 shows the allocation of MBE Prime contracting awards and MBE subcontracting awards in each contracting area. In FY 2023, **50%** of MBE contract awards were awarded at the Prime level.

Figure 8: MBE Prime and Subcontractor Awards

Contracting Area	Prime Percent of MBE Awards	MBE Prime Awards	MBE Subcontractor Awards	Total MBE Contract Awards
A&E Services	2%	\$196,000	\$8,786,500	\$8,982,500
Construction Services	23%	\$8,704,708	\$29,446,026	\$38,150,734
Goods & Services	87%	\$35,934,398	\$5,366,155	\$41,300,553
Professional Services	43%	\$5,715,559	\$7,460,648	\$13,176,207
Total for all Contract Types	50%	\$50,550,665	\$51,059,329	\$101,609,994

MBE Contract Awards, Five-Year Comparison (FY 2019 – FY 2023)

As indicated in Figure 9, for the past five years, WSSC Water has awarded an average of **27%** of its total contracts to MBE firms.

Figure 9: MBE Contract Awards, FY 2019 - 2023

Fiscal Year	MBE Percent	MBE Awards	Majority Awards	Total Contract Payments
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
2023	29%	\$101,609,994	\$243,931,790	\$345,541,784
Total	27%	\$875,826,066	\$2,416,213,884	\$3,292,039,950



SLBE Program Results

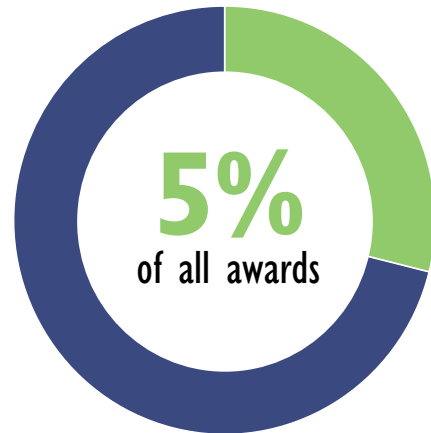
One of our priorities is building and maintaining strong relationships with our SLBE community.

WSSC Water's SLBE Program is designed to encourage significant contract participation and promote the sustainable economic growth of small firms in Montgomery and Prince George's counties.



More than \$31 million
was spent with SLBE firms

Figure 10: FY 2023 SLBE Contract Payments



More than \$17 million
was awarded to SLBE firms

Figure 11: FY 2023 SLBE Contract Awards

SLBE Contract Payments by Contracting Area

WSSC Water spent **\$31 million** with WSSC Water-approved SLBE firms, with more than **\$26 million** in the Construction Services contracting area.

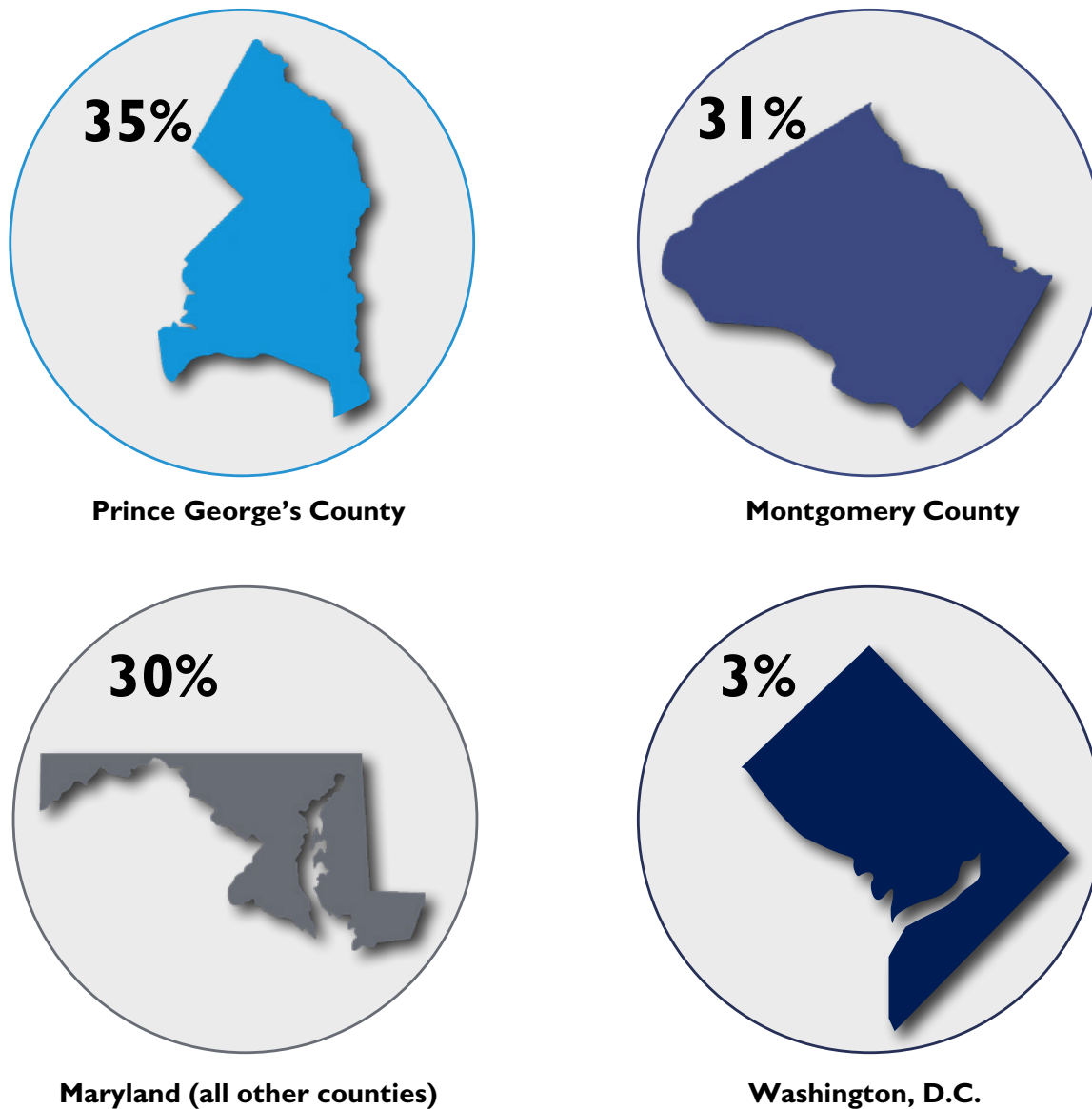
Figure 12: FY 2023 SLBE Contract Payments

Contracting Area	SLBE Contract Payments
A&E Services	\$776,145
Construction Services	\$26,760,769
Goods & Services	\$3,267,578
Professional Services	\$251,496
Total for all Contract Areas	\$31,055,988

SLBE Contract Payments by Location

Figure 13 shows that **35%** of SLBE payments went to firms located in Prince George’s County and **31%** went to Montgomery County firms. 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 more than **\$17 million** to WSSC Water-approved SLBE firms in FY 2023, as depicted in Figure 14.

Figure 14: SLBE Contract Awards by Contracting Area

Contracting Area	SLBE Prime Awards	SLBE Subcontractor Awards	Total SLBE Contract Awards
A&E Services	\$0	\$270,000	\$270,000
Construction Services	\$3,422,475	\$9,175,368	\$12,597,843
Goods & Services	\$3,016,000	\$1,180,000	\$4,196,000
Professional Services	\$0	\$205,000	\$205,000
Total for all Contract Types	\$6,438,475	\$10,830,368	\$17,268,843





● INNOVATION + PARTNERSHIP

M/WBE Spotlight: Biosolids Hauling

Construction for our largest and most technically advanced facility, the Piscataway Bioenergy Facility, will transform how we approach recovering resources and treating biosolids. By using innovative technology to recover resources, the Bioenergy Facility will serve as the central biosolids processing site and allow the Facility to process unstabilized solids and produce green energy.

To help us transform how we process biosolids, WSSC Water commissioners recently approved a **\$27 million** Biosolids Hauling Management and Utilization contract. The contract includes hauling and transporting an estimated **75,000 tons** annually of unstabilized biosolids from WSSC Water’s six water resource recovery facilities (WRRFs) to the Bioenergy Facility.

Partnerships with the vendor community are critical in helping WSSC Water achieve our clean water mission. This project is no different. We’ve partnered with Synagro Central as the Prime vendor for this contract, which includes **39.40%** MBE subcontracting. Nearly **21%** of the subcontracting goal will be fulfilled by Zymco Hauling LLC, a certified African American owned trucking company that specializes in hauling services, fleet management, construction and aggregate materials supply. Nearly **17%** will be satisfied by Duffield Hauling, Inc., a women-owned trucking company that also specializes in transportation and hauling services, and Recyc Systems, Inc., a women-owned agricultural company that provides alternative disposal services of biosolids, will fulfill **2%** of the MBE subcontracting goal.

Construction on the Bioenergy Facility is scheduled for completion in 2024.





OUR COMMITMENT

Our Commitment

As we prioritize Diversity, Equity, Inclusion and Environmental Justice, we remain focused on strengthening our partnerships with the diverse business community to work collectively to achieve our one-water future. We remain committed to implementing policy and process improvements to create additional opportunities for economic growth for small, local, minority and women owned businesses in Montgomery and Prince George’s counties.

On January 18, 2023, as a part of that commitment, the WSSC Water Commissioners approved and adopted the findings from the FY 2022 Disparity Study and updated MBE Regulations. The Study assessed the Commission’s procurement activity with minority and women-owned business enterprises for FY 2015 through FY 2019. In addition, it analyzed the utilization and availability of firms in the marketplace, calculated any existing disparities, and collected anecdotal data from business owners, professional organizations, and WSSC Water personnel. The results from the study show an ongoing need to continue operating our Minority Business Enterprise Program to remedy the effects of discrimination.

MBE Program Improvements and Recommendations

A number of policy and programmatic improvements have been recommended to strengthen our MBE Program and increase contracting opportunities. Those include recognizing second-tier subcontracting, allowing MBE Primes to self-perform 50% of subcontracting goals, developing a race- and gender-neutral Emerging Prime Program and increasing outreach efforts.

WSSC Water is dedicated to ensuring the sustained growth and development of minority- and women-owned businesses through our contracting process and contributing to the overall economic development of Prince George’s and Montgomery counties.

