



2024 TAP into BUSINESS Roundtable Discussions

WSSC WATER DELIVERING THE ESSENTIAL



Office of Supplier Diversity & Inclusion

Fiscal Year 2024
Performance Report

Message from Commission Chair



T. Eloise Foster
Commission Chair

On behalf of my fellow Commissioners, we are proud to share WSSC Water's Office of Supplier Diversity & Inclusion Fiscal Year 2024 Performance Report. This report highlights our unwavering commitment to supporting small and diverse businesses. Over the past year, we have maintained a positive trajectory with continued growth in spending and contracts awarded to minority-owned, women-owned and small businesses - reinforcing our dedication to fostering diversity and inclusion in our marketplace.

Looking ahead, we remain focused on building upon this momentum. Our signature Tap Into Business events enable diverse businesses to engage directly with WSSC Water officials. These outreach events showcase our commitment to listening to the business community's needs. It reinforced our intent to work closely with companies of all sizes to improve our contracting and procurement processes. Additionally, as a governing board, we look forward to approving upcoming critical updates to WSSC Water's MBE regulations and fully supporting management's enhanced outreach to MBE, WBE and SLBE firms.

Our goal is to not only stay the course, but to keep pushing forward. We commissioners are dedicated to accelerating opportunities for diverse businesses. WSSC Water's success in delivering clean water and resource recovery services to our 1.9 million customers in Prince George's and Montgomery counties is directly linked to the strong partnerships we've cultivated with small and diverse businesses.

As you review this year's report, we hope you will recognize the impact of our ongoing efforts and our clear vision for continued growth. Thank you for supporting WSSC Water and our mission to strengthen contracting opportunities for diverse businesses.

With gratitude and determination for the future,

A handwritten signature in black ink that reads "Eloise Foster". The signature is written in a cursive, flowing style.

Eloise Foster
WSSC Water Commission Chair

WSSC Water Commissioners

The Commissioners submit the following report in accordance with §20-207 of the Public Utilities Article, Annotated Code of Maryland. By October 31 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:

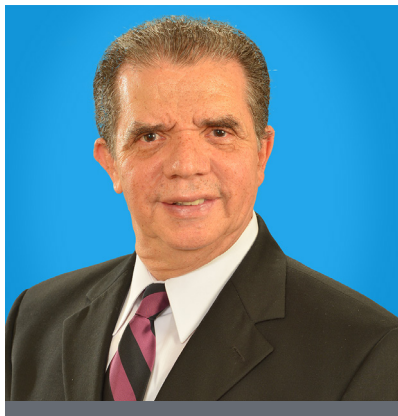
- The implementation and administration of the Minority Business Enterprise programs under this subtitle for the fiscal year ending on the preceding June 30; and
- Appropriate recommendations concerning the program.



T. Eloise Foster
Chair
Montgomery County



Mark J. Smith
Vice Chair
Prince George's County



Fausto R. Bayonet
Commissioner
Montgomery County



Jonathan Powell
Commissioner
Montgomery County



Lynnett D. Espy-Williams
Commissioner
Prince George's County



Regina Y. Speed-Bost
Commissioner
Prince George's County

Message from General Manager and CEO



Kishia L. Powell
General Manager and CEO

While programs that support justice, equity, diversity and inclusion are being challenged across the country, WSSC Water is more determined than ever to strengthen our program to eliminate discrimination against minority- and women-owned businesses.

You'll find the proof of our commitment throughout the pages of this Office of Supplier Diversity & Inclusion Fiscal Year (FY) 2024 Performance Report. Our numbers speak for themselves:

- Spending \$173 million (34%) of our overall payments with diverse businesses - a 6% increase from FY 2023;
- 51% of the \$173 million went to diverse businesses located in Prince George's and Montgomery counties;
- Awarding \$157 million (32%) in contracts to diverse businesses – a 3% increase from FY 2023
- 53% of the total MBE contract awards were awarded to MBE firms as Prime Contractors

As an anchor institution proudly providing our 1.9 million customers in Montgomery and Prince George's counties with clean, safe, affordable water and sewer services, we are not resting on our past success. We are taking bold action to expand opportunities to remedy this persistent discrimination.

We recently introduced a new strategic plan – a roadmap to guide our efforts over the next three years. Among our strategic priorities is a focus on Justice, Equity, Diversity & Inclusion (JEDI), to continue our efforts to improve contracting equity and diversify our supplier portfolio to address ongoing discrimination and the present-day effects of past discrimination. We're proud of this plan, but we know our success also depends on the relationships we forge with our diverse industry partners.

That is precisely why we introduced our first-ever Business Roundtable at our Tap into Business event this past summer, where small and minority businesses could share issues and stumbling blocks they encountered in working with WSSC Water. We listened and committed to making necessary changes to improve our procurement processes.

This stakeholder outreach, commitment to improvement and support of diverse businesses will continue as we implement our six-year Capital Improvements Program (FY 2026-2031). This nearly \$5 billion plan focuses on upgrading and replacing our aging critical infrastructure. This robust plan provides increased opportunities for diverse businesses and will also enhance economic output in our region and create jobs. For every \$1 million invested in water projects, there is an economic impact of 15 -18 jobs.

As you read this performance report, you will see the powerful results of our efforts to build dynamic relationships with our diverse industry partners. Our work continues, and thanks to your support, we will strengthen contracting opportunities for diverse businesses while protecting public health by investing in water.

Yours in service,

Kishia L. Powell
General Manager and CEO

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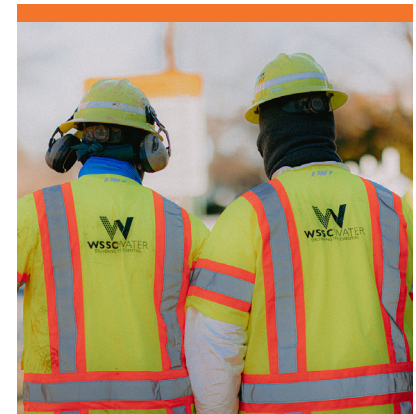
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WSSC Water at a Glance



- ★ **106 years** of no drinking water quality violations.
- ★ **Platinum Peak Performance** recognition for wastewater treatment and resource recovery excellence.



8th

Largest combined water and wastewater utility in the United States by population served



1.9M

Residents served



162 MGD

Water provided each day



1000 Sq. Miles

Size of WSSC Water's Service Area



1,700+

Members of Team H₂O deliver on our mission



\$114.9B

WSSC Water supports the economic output of Prince George's and Montgomery counties



\$1.8B

FY2025 Operating & Capital Budget



\$5.9B

6-Year Capital Improvements Program



\$9B

In infrastructure assets maintained on behalf of our customers



Fiscal Year 2024 Key Report Findings

This Performance Report provides an overview 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, surrounding areas in Maryland and Washington, D.C. and out-of-state cities. Women Business Enterprise (WBE) firms are included in the MBE figures throughout the report unless otherwise noted.



\$173M

WSSC Water spent more than **\$173 million (34%)** with MBE firms.

\$157M

WSSC Water awarded more than **\$157 million (32%)** to MBE firms.

\$21M

WSSC Water spent the highest percentage with MBE firms in the Professional Services contracting area at **53% (\$21M)**.

53%

53% of the total MBE contract awards were awarded to MBE firms as Prime Contractors.

\$35M

WSSC Water spent **\$35 million (7%)** with SLBE firms.

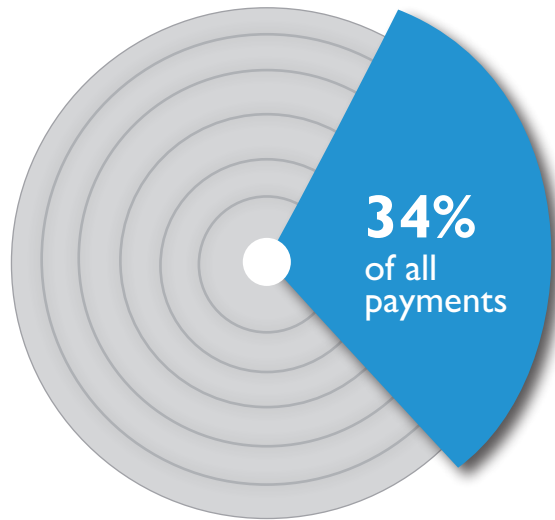
\$38M

WSSC Water awarded more than **\$38 million (8%)** to SLBE firms.

Fiscal Year 2024 MBE Program Results

Office of Supplier Diversity & Inclusion

The Office of Supplier Diversity & Inclusion has administered WSSC Water's MBE Program since 1978 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 Strategic Priority of Justice, Equity, Diversity & Inclusion. WSSC Water understands that when businesses experience growth in an equitable and inclusive environment, the economic impact benefits our entire community.

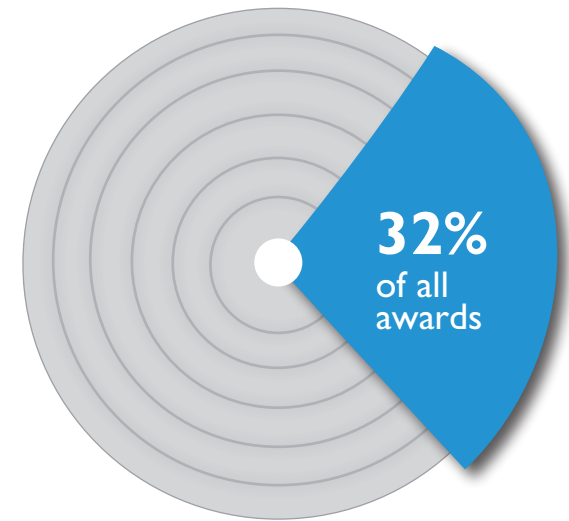


More than \$173 million
was spent with MBE firms

Figure 1: FY 2024 MBE Contract Payments

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 \$157 million
was awarded to MBE firms

Figure 2: FY 2024 MBE Contract Awards

MBE Contract Payments by Contracting Area

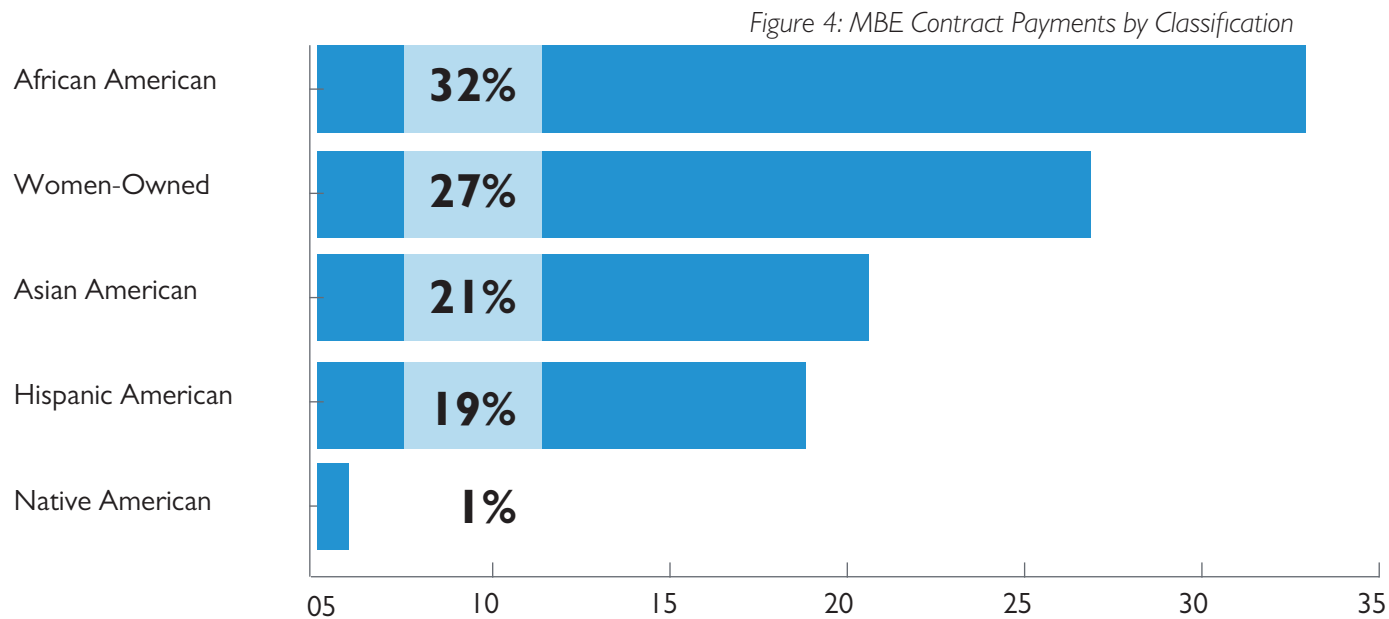
In FY 2024, WSSC Water’s contract payments totaled over **\$509 million**, while MBE contract payments totaled over **\$173 million**, or **34%** of all contract payments, as shown in *Figure 1*. In FY 2024, WSSC Water’s highest percentage of payments to MBE firms was in the Professional Services contracting area, 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%	\$14,076,768	\$11,138,188	\$2,938,580	\$30,064,289	\$44,141,057
Construction Services	13%	33%	\$97,395,568	\$64,996,753	\$32,398,815	\$199,988,520	\$297,384,088
Goods & Services	33%	32%	\$40,766,098	\$31,082,569	\$9,683,529	\$86,736,311	\$127,502,409
Professional Services	23%	53%	\$21,284,154	\$20,223,323	\$1,060,831	\$18,990,341	\$40,274,495
Total for all Contract Areas		34%	\$173,522,588	\$127,440,833	\$46,081,755	\$335,779,461	\$509,302,049

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%**, followed by women-owned firms at **27%**. Asian American firms received **21%** of MBE contract payments, Hispanic American firms received **19%** and Native American firms received **1%**.



MBE Contract Payments by Location

Figure 5 shows that Maryland and Washington, D.C. firms received **83%** of WSSC Water's MBE payments. WSSC Water spent **37%** with Prince George's County and **14%** with MBE firms in Montgomery County.

Figure 5: MBE Contract Payments by Location



37%
Prince George's County



14%
Montgomery County



29%
Maryland (all other counties)



3%
Washington, D.C.

MBE Contract Payments FY 2020 – FY 2024

As indicated in *Figure 6*, for the past five years, WSSC Water has spent an average of **30%** of its total payments with MBE firms.

Figure 6: MBE Contract Payments, FY 2020 - FY 2024

Fiscal Year	MBE Percent	MBE Payments	Majority Payments	Total Contract Payments
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
2024	34%	\$173,522,588	\$335,779,461	\$509,302,049
Total	30%	\$753,405,485	\$1,751,460,097	\$2,504,865,582

Three requests for partial waivers of the MBE/SLBE subcontracting goals were received in FY 2024. All three requests were approved.



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 contracting expenditures may extend beyond a single fiscal year.

WSSC Water awarded nearly **\$500 million** in contracts, with MBE contract awards totaling more than **\$157 million**, or **32%** of total contract awards, as shown in *Figure 7*. In FY 2024, WSSC Water's highest percentage of contract awards to MBE firms was in the Construction Services contracting area, as shown in *Figure 7*.

nearly
\$500M
contract awards

more than
\$157M
in MBE awards

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%	28%	\$13,760,000	\$11,729,000	\$2,031,000	\$35,690,000	\$49,450,000
Construction Services	13%	38%	\$82,405,647	\$74,207,084	\$8,198,563	\$143,268,065	\$225,673,712
Goods & Services	33%	26%	\$52,362,143	\$34,513,122	\$17,849,021	\$143,709,041	\$196,071,184
Professional Services	23%	33%	\$8,823,371	\$5,262,966	\$3,560,405	\$18,008,636	\$26,832,007
Total for all Contract Areas		32%	\$157,351,161	\$125,712,172	\$31,638,989	\$340,675,742	\$498,026,903

MBE Prime and Subcontractor Awards

Figure 8 shows the allocation of MBE Prime contracting awards and MBE subcontracting awards in each contracting area. In FY 2024, **53%** of MBE contract awards were awarded at the Prime level.

Figure 8: MBE Prime and Subcontractor Awards

Contracting Area	Prime Percent of MBE Award	MBE Prime Awards	MBE Subcontractor Awards	Total MBE Contract Awards
A&E Services	27%	\$3,700,000	\$10,060,000	\$13,760,000
Construction Services	46%	\$37,745,707	\$44,659,940	\$82,405,647
Goods & Services	75%	\$39,234,493	\$13,127,650	\$52,362,143
Professional Services	33%	\$2,936,161	\$5,887,210	\$8,823,371
Total for all Contract Types	53%	\$83,616,361	\$73,734,800	\$157,351,161



MBE Contract Awards FY 2020 – FY 2024

As indicated in *Figure 9*, for the past five years, WSSC Water has awarded an average of **28%** of its total contracts to MBE firms.

Figure 9: MBE Contract Awards, FY 2020 - FY 2024

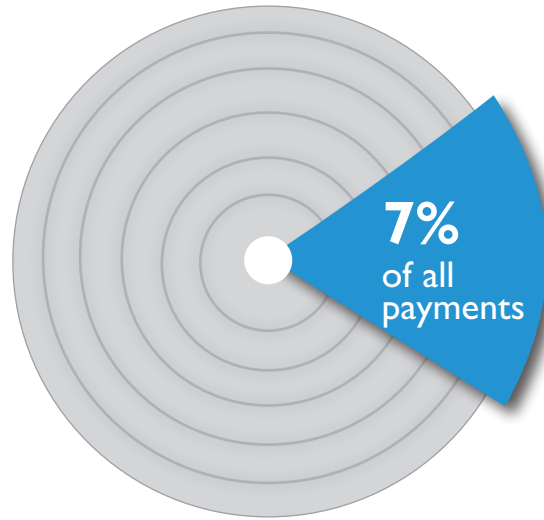
Fiscal Year	MBE Percent	MBE Awards	Majority Awards	Total Contract Awards
2020	21%	\$145,442,589	\$541,126,525	\$686,569,114
2021	29%	\$136,352,022	\$335,109,313	\$471,461,335
2022	28%	\$358,884,014	\$938,698,443	\$1,297,582,457
2023	29%	\$101,609,994	\$243,931,790	\$345,541,784
2024	32%	\$157,351,161	\$340,675,742	\$498,026,903
Total	28%	\$899,639,780	\$2,399,541,813	\$3,299,181,593



SLBE Program Results

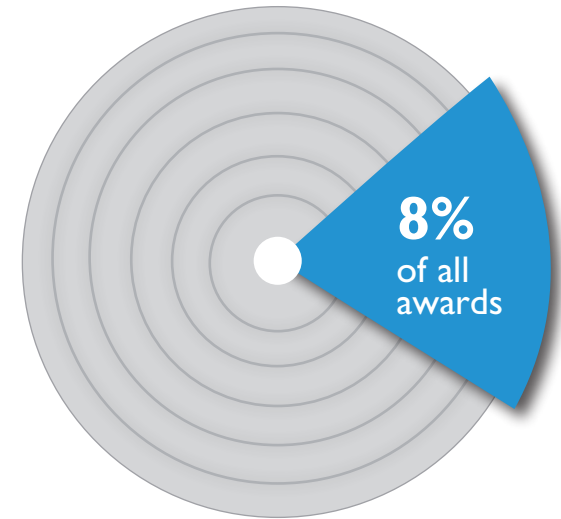
One of our focus areas is building and maintaining strong relationships with our SLBE community.

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



More than \$35 million
was spent with SLBE firms

Figure 10: FY 2024 SLBE Contract Payments



More than \$38 million
was awarded to SLBE firms

Figure 11: FY 2024 SLBE Contract Awards

SLBE Contract Payments

Figure 12: FY 2024 SLBE Contract Payments

WSSC Water spent **\$35 million** with WSSC Water-approved SLBE firms, with more than **\$30 million** in the Construction Services contracting area.

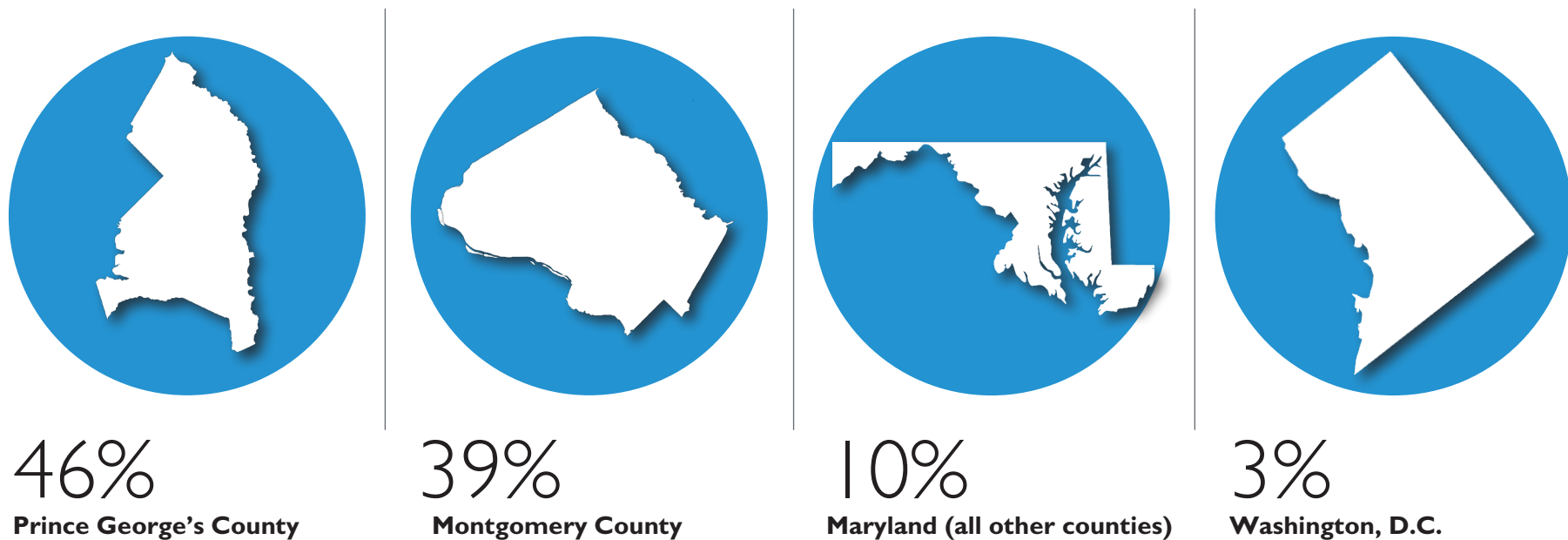
Contracting Area	SLBE Contract Payments
A&E Services	\$1,247,584
Construction Services	\$30,140,418
Goods & Services	\$3,793,596
Professional Services	\$149,737
Total for all Contract Areas	\$35,331,335



SLBE Contract Payments by Location

Figure 13 shows that **46%** of SLBE payments went to firms located in Prince George's County and **39%** 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 by Contracting Area

Figure 14: SLBE Contract Awards by Contracting Area

WSSC Water awarded more than **\$38 million** to WSSC Water-approved SLBE firms in FY 2024, as depicted in *Figure 14*.

Contracting Area	SLBE Prime Awards	SLBE Subcontractor Awards	Total SLBE Contract Awards
A&E Services	\$0	\$60,000	\$60,000
Construction Services	\$8,988,961	\$21,289,668	\$30,278,629
Goods & Services	\$2,538,108	\$5,663,575	\$8,201,683
Professional Services	\$0	\$161,893	\$161,893
Total for all Contract Types	\$11,527,069	\$27,175,136	\$38,702,205

Innovation + Partnership

Delivering on Commitments

The Piscataway Bioenergy Project, the largest and most technically advanced project ever constructed by WSSC Water uses innovative technology to recover resources and produce green energy. This project transforms how WSSC Water manages biosolids, the nutrient-rich organic materials produced by the wastewater treatment process, from five existing water resource recovery facilities.

This \$271 million project was awarded to PC Construction and is expected to serve our customers over the next 100 years. Participation from Minority, Women and Small Local Business Enterprises on this project was significant. The project included a combined MBE/SLBE subcontracting goal (design and construction phases) of **13.32%** and achieved **16.72%** in MBE/SLBE utilization.

Partner Highlights

BOTA Consulting Engineers, Inc., an African American firm, located in Prince George's County, Maryland, provided significant work in the design and construction phases of this project, including Geotechnical Engineering Services, Construction Management Services and Construction Material Testing Services.

As a result of this project, BOTA saw a **25%** growth in their personnel, **20%** growth in sales and relationship building, which led to additional projects with several Prime Contractors.

SP Arch, a woman-owned business, performed engineering services for this project. This experience provided a unique opportunity for the company to grow their technical skills in detailing, software integration and leadership.

As a result of this project, relationships were developed, and the company is now working with several Prime Contractors throughout Maryland.

SIGNIFICANT PARTICIPATION WITH DIVERSE BUSINESSES:

34

MBE/SLBE firms

more than

137

jobs created with MBE/SLBE firms

more than

\$41M

spent with MBE/SLBE firms



Our Commitment

In alignment with our strategic priority of Justice, Equity, Diversity & Inclusion, we recognize the critical importance of enhancing our supplier diversity initiatives and promoting opportunities for minority, women-owned and small businesses. Now more than ever, we remain committed to ensuring contracting equity and are focused on several key activities to benefit the communities we serve.

Updates to our Minority Business Enterprise Regulations include key provisions to strengthen our programs, such as recognizing MBE second-tier subcontracting, allowing MBE Primes to self-perform 50% of subcontracting goals, and establishing an Emerging Prime Program. These updates create opportunities for increased engagement for minority and women-owned businesses at both Prime and Subcontracting levels. Regulations will be presented to WSSC Water Commissioners for adoption in Fiscal Year 2025.

In an effort to eliminate contracting barriers in our procurement processes, we began increasing our outreach activities with the vendor community. As part of our procurement improvements, we are hosting early project outreach events to forecast opportunities well in advance of solicitation advertisements. These advanced outreach events provide an opportunity for increased engagement, a better understanding of project details and an environment for networking and teaming discussions with the vendor community.

To ensure that our contract spending translates into tangible benefits for the communities we serve, we've launched a Community Benefits initiative. This initiative promotes positive community investment from vendors working on WSSC Water projects and helps deliver social impact beyond the direct investment from WSSC Water.



Our commitment to Justice, Equity, Diversity & Inclusion is more than policy. It is essential to serving as an anchor institution in our community. We look forward to your continued support and partnership as we work to ensure that a rising tide lifts all boats.

