

COMMISSIONERS

W. KEVIN HUGHES
CHAIRMAN

HAROLD D. WILLIAMS
LAWRENCE BRENNER
ANNE E. HOSKINS
JEANNETTE M. MILLS

STATE OF MARYLAND



CONTACT: James R. Carrier
410-767-8054
443-226-0450 (c)
james.currier@maryland.gov

PUBLIC SERVICE COMMISSION

July 10, 2015
For Immediate Release

Maryland Public Service Commission Convenes Annual Supplier Diversity Hearing *More than \$540 Million in Contracts with Diverse Suppliers*

(BALTIMORE) – The Maryland Public Service Commission (PSC) convened its annual hearing for utility companies to report on their contracts with diverse suppliers. The July 7 proceeding reviewed participating companies' diverse supplier procurements, which totaled more than \$540 million—nearly a 17 percent increase over the previous year. With the theme "Progress, Partnerships and Pipelines", this year's proceeding demonstrated the continued overall effectiveness of the program, with several companies reporting that spending goals were met or exceeded, whereas others committed to undertake measures that would accelerate progress in achieving supplier diversity goals.

The Commission's Public Conference 16 on Supplier Diversity (PC 16) is aimed at providing women-, minority- and service-disabled veteran-owned businesses, as well as nonprofit organizations, greater opportunities to participate in and compete for contracts and subcontracts with public utilities. Eighteen companies have signed Memoranda of Understanding (MOU) with the Commission to aspire to award 25 percent of their total spend to diverse suppliers. Ten Signatories reported an annual growth rate for Diverse Supplier Spend higher than their respective procurement growth rate. While progress is being made, more needs to be done as only three companies achieved the 25 percent goal in 2014.

Commissioner Harold D. Williams, who heads the Commission's internal PC 16 group, recognized the progress, yet pressed the companies to increase their dedication to diversity expenditures. "Sustained commitment to supplier diversity provides companies more opportunities to find talented but undiscovered businesses and workers, which will ultimately benefit both their companies' performance and Maryland as a whole," said Commissioner Williams.

--more--

WILLIAM DONALD SCHAEFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806
410-767-8000 • Toll Free: 1-800-492-0474 • FAX: 410-333-6495
MDRS: 1-800-735-2258 (TTY/Voice) • Website: www.psc.state.md.us

Analysis by the Commission's technical staff noted that total diverse supplier procurement increased to \$540,558,340 in calendar year 2014, representing nearly 17 percent of total supplier expenditures by participating utilities. The diverse spend ratio, which is total diverse procurement divided by total utility procurement, has slowly inched up from 15.11 percent in 2009 when the MOU was first signed, growing at an average annual rate of less than two percent. Staff's report also pointed out that since 2009, diverse spend has increased at a faster rate than total spend. Since 2009, the Signatories' total procurement grew at an average annual rate of 13.42 percent while diverse spend grew at 15.64 percent.

Among these diverse suppliers, minority business enterprises showed the largest representation, with 49 percent of diverse utility contracts, followed by women business enterprises, with 41 percent and service-disabled veteran-owned enterprises with 10 percent.

Along with the analysis of the utility companies' reports, the hearing included a panel discussion highlighting the experiences of diverse suppliers under the MOU, with most reporting professional growth and increased opportunities afforded by the memoranda. Additionally, the Commission was honored to receive comments from State Senator Catherine Pugh, State Delegate Barbara Robinson and Special Secretary Jimmy Rhee from the Governor's Office of Minority Affairs.

Utility companies represented at the hearing included electricity and gas, transportation and telecommunications. Despite some progress reported, the Commission expects the companies to strive toward meeting the 25 percent goal in the MOU and engaging more of the underrepresented diverse suppliers in their business operations. Utilities are encouraged to explore additional education, training and outreach initiatives to increase utilization of diverse suppliers as they undertake reliability and infrastructure improvement projects statewide.

Tabitha Stanislaw, chair of the Maryland Utility Forum, made a presentation reinforcing the forum's goal of helping utilities in Maryland achieve the 25 percent diverse procurement goal. Her presentation focused on the history and goals of the program while keeping with the theme of Progress, Partnerships and Pipelines.

More information on PC 16 and supplier diversity is available on the Commission's website, www.psc.state.md.us under the Supplier Diversity link on the homepage.

###