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LAWRENCE BRENNER
KELLY SPEAKES-BACKMAN
W. KEVIN HUGHES

STATE OF MARYLAND



PUBLIC SERVICE COMMISSION

CONTACT: Regina L. Davis
rdavis@psc.state.md.us
410-767-8054 / 443-286-6870 (cell)

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FOR IMMEDIATE RELEASE

Maryland PSC Holds Annual Supplier Diversity Hearing *Commission Notes Progress in Procurements*

(Baltimore, MD)—On Tuesday, July 17, the Maryland Public Service Commission (PSC) will hold its annual Supplier Diversity Hearing for public utilities to report on their efforts during 2011 to provide contracting opportunities for minority-, women- and service-disabled veteran-owned businesses and not-for-profit organizations.

Also known as PC16, this effort began as a public conference, initiated by the PSC in 2008, for the purpose of ensuring that minority-, women- and service-disabled veteran-owned businesses and not-for-profit organizations have fair opportunities to participate in and compete for contracts and subcontracts with public utilities.

The Commission has entered into Memoranda of Understanding (MOU) with 16 Maryland utility companies in which, among other things, the signing companies have committed to use their best efforts to achieve a goal of awarding 25 percent of their total dollars spent on contracts, subcontracts and purchase orders (governed by the MOU) to diverse suppliers. The companies also agreed to file annual plans detailing their efforts to achieve the goal and documenting their progress.

In addition to receiving comments from the utility companies, the hearing will include an overview of the 2011 Annual Report data from Commission staff, along with comments from the Governor's Office of Minority Affairs.

"Creating access to opportunities for minority- and women-owned businesses remains a top priority for the O'Malley-Brown Administration, especially during these tough economic times," says Special Secretary Zenita Wickham Hurley of the Governor's Office of Minority Affairs. "While there is some reported progress among participating companies, it is our hope that the companies not only continue on the path to increased participation which has been forged by this Administration, but that they also follow the State's lead by implementing strong policies focused on increased and more formalized program compliance."

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

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In reviewing the utility reports, PSC staff determined that the total diverse supplier procurement totaled \$430 million in 2011, which represents a 146% increase compared to the \$294 million spent in 2010. To date, 16 of 33 qualifying companies (i.e., companies with more than \$10 million in Maryland revenue) participate in the program. The PSC is working to further increase participation, as the actual pool of available suppliers is far greater than those who were awarded contracts.

“Although many of the utilities are making progress toward reaching the goal, our hope is that the utilities push for increased participation,” says PSC Commissioner Harold D. Williams. “We would like to see more diverse suppliers in the role of prime contractors rather than as subcontractors. In addition, the utilities should cast a wider net in terms of the types of services for which they contract. For example, I would like to see more representation in the areas of legal, financial, technical services and renewable energy.”

Chairman Douglas R.M. Nazarian notes the leadership efforts of Maryland in this area.

“A small, but growing, number of state commissions have undertaken this type of program. I am proud that Maryland was among the first, and that other states are using our MOU as a model for their own supplier diversity programs,” he says.

The Commission remains focused on engaging the utilities that are not participating in PC16 and encouraging them to sign the MOU. “Signing the MOU is more than merely a symbolic gesture,” says Nazarian. “We expect the companies who have signed this agreement to dedicate the time, resources and staff to achieve the goals set forth in the MOU, and we look forward to reviewing their progress.”

The hearing will be held at 10:00 A.M. in at the Commission’s Baltimore headquarters in the 16th Floor Hearing Room. Reports from the utilities are available to the public, and can be found on the PSC website at www.psc.state.md.us, under Supplier Diversity.

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