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Via Electronic Filing

February 15, 2011

Terry J. Romine, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, MD 21202-6806

**Re: Administrative Docket PC16
Baltimore Gas and Electric Company Supplier Diversity Plan for 2011**

Dear Ms. Romine:

Enclosed please find Baltimore Gas and Electric Company's (BGE) 2011 Plan for our Supplier Diversity Program, which was electronically filed this date.

BGE will hand deliver an original and 17 copies by noon on the next business day in accordance with Commission guidelines for electronic filing. The Maillog number assigned to this filing will be indicated above for your reference.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kimberly A. Curry', is written over a faint, larger version of the signature.

Kimberly A. Curry

KAC:jdb

Enclosure

SUPPLIER DIVERSITY PROGRAM 2011 ANNUAL PLAN

SUBMITTED TO: Ms. Terry J. Romine
Executive Secretary
Maryland Public Service Commission
6 St. Paul Street, 16th Floor
Baltimore, Maryland 21202

SUBMITTED BY: Frank Kelly
Director, Supplier Diversity
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DATE: February 15, 2011

Supplier Diversity Program

Annual Plan 2011



BGE

We're on it.SM

February 15, 2011

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LETTER FROM THE PRESIDENT



An important part of our strength here at Baltimore Gas and Electric comes from diversity in all that we do - and our Supplier Diversity Program is a great example. For more than 16 years BGE has developed strategic partnerships with diverse suppliers to bring a variety of products and services to the utility. Our Supplier Diversity Program is designed to bring the added value of diversity to our procurement process by proactively seeking small, minority, women and service disabled veteran owned enterprises.

BGE's policy is to continue to develop and strengthen business relationships. We participate in a number of outreach efforts and encourage diverse suppliers to participate in the procurement process. Tapping into the power of our region's diverse supplier base is an effective way to strengthen our company, as well as fuel our community's economy. In fact, BGE's diversity philosophy has proven to be overwhelmingly beneficial not only to our business, but also to our employees, customers and the communities we serve.

We're proud of the success we have had and are excited about future opportunities. Thank you for your interest and your support.

Sincerely,

Kenneth W. DeFontes
President, BGE

1.0 SHORT, MID, AND LONG TERM GOALS

The goal of Baltimore Gas & Electric's (BGE) Supplier Diversity Program is to ensure that various diverse suppliers are included in the procurement process. We seek to:

1. Provide purchasing opportunities for minority and women-owned business enterprises (MWBs aka DBEs)
2. Identify qualified diverse firms that offer high-quality, cost-competitive goods and services, and matching them with the needs of the company
3. Ensure that all qualified minority suppliers have an opportunity to conduct business with BGE
4. Sustain supplier diversity momentum
5. Become a recognized industry leader in Supplier Diversity inclusion as a natural part of our business culture

BGE submits the following goal for 2011:

2011 BGE Projected Spend/Goal	
Gas	\$157M
O&M	\$130M
Capital	\$520M
Total BGE Projected Spend	\$808M
Supplier Diversity 2011 Goal	\$105M (13%)

1.1 Short-Term Plans

In 2011, BGE will focus its Supplier Diversity program on the following:

- Increase support of BGE's Supplier Diversity Program, with enhanced communications and a network of internal "champions" to ultimately seek additional 1st and 2nd tier spend opportunities
- Develop DBEs, especially in historically underrepresented categories
- Improve subcontracting results, particularly in categories where results are historically low such as construction, non-profit, and finance
- Create Supplier Diversity projection tracker
- Target and track progress of prime suppliers with low DBE utilization
- Assist DBEs in getting certified through third party certifying agencies
- Strategically develop partnerships with local and national advocacy groups such as GOMA, MSDC, NARUC, etc.
- Require prime suppliers to develop subcontracting plans
- Conduct and invite prime contractors to attend workshops and network with potential DBEs
- Market DBE suppliers to other organizations, e.g. – Utility Forum, Suppliers, etc.
- Continue to integrate Supplier Diversity into the strategic sourcing process
- Participate in outreach activities

- Collaborate efforts with the Utility Forum to advance Supplier Diversity

1.2 Mid and Long Term Plans

- Increase the number of Supplier Diversity Champions within BGE to strengthen the Supplier Diversity Council
- Create strategic relationships and develop DBE firms in low utilization categories
- Host in house DBE conferences
- Develop a comprehensive marketing, training, and communications plan
- Continue to develop alliances with local and national organizations to expand the utilization of DBE primes and subcontractors
- Continue to seek additional 1st and 2nd tier spend opportunities
- Conduct workshops with prime and diverse suppliers to grow BGE's diversity opportunities
- Increase diverse participation in long-term sourcing projects
- Monitor the progress and utilization of DBE contractors
- Develop an internal and external awards program
- Annually recognize at least one prime contractor and DBE for outstanding performance
- Improve internal reporting for better tracking of contracts and DBE commitment

2.0 2011 PLANNED PROGRAM ACTIVITIES

The Supplier Diversity Office plans to conduct several innovative activities in 2011 to further encourage supplier diversity in the bidding and procuring of products and services. Planned activities include:

2.1 Internal Activities

- Work with Supplier Diversity Champions to identify and address contract opportunities
- Continue to improve processes and systems to more effectively capture diversity data, e.g. – Utility Forum Shared Database
- Create opportunities to bring DBE firms and BGE decision-makers together at networking events
- Enforcing compliance of the online subcontracting reporting system
- Seek to identify additional DBE firms in underutilized areas such as financial services areas
- Supplier Diversity Department and Champions to participate in BGEs Supply Chain sourcing initiatives
- Champions present DBE results to business unit vice presidents and key stakeholders on a regular basis
- Work with sourcing and internal clients to address any Supplier Diversity related issues
- Create an award/recognition program for 2011 Supplier Diversity Outstanding Achievements
- Utilize internal communication vehicles including insight events, unit meetings, etc to educate and inform employees on DBE strategy and programs

2.2 External Activities

- Work with local and national advocacy organizations to expand the utilization of DBEs
- Attend the Elite Service Disabled Veteran events and build relationships
- Explore other potential relationships where qualified DBEs can be recruited
- Continue to play an active role in the Utility Forum
- Promote supplier diversity program in local publications and DBE directories
- Educate diverse suppliers on BGE sourcing process and expectations for post award performance

3.0 PLANS FOR RECRUITING DIVERSE SUPPLIERS IN LOW UTILIZATION CATEGORIES

To increase DBE opportunities in low-use areas in 2011, BGE plans to:

- Champions to actively participate with sourcing and Supplier Diversity to seek suppliers in low utilization categories
- Target high-potential DBEs for opportunities in areas such as construction, finance and non-profit
- Conduct meetings with top prime suppliers to increase their subcontracting performance
- Invite Supply Chain and key decision-makers to networking workshops with DBEs
- Encourage DBEs to obtain certification through recognized third party organizations
- Participate in planning and pre-bid meetings to ensure DBE participation
- Provide monthly DBE results to Supply Chain and division leaders
- Attend outreach events and build relationships with DBEs
- Participate as a member of the Utility Forum to promote supplier diversity efforts
- Benchmark best practices amongst industry leading supplier diversity programs, including leveraging supplier databases

4.0 PLANS FOR RECRUITING DIVERSITY IN AREAS CURRENTLY UNAVAILABLE

To increase DBE opportunities where diverse suppliers are currently unavailable, BGE plans to:

- Work with local and national advocacy organizations to expand the utilization of DBEs
 - Edison Electric Institute – Supplier Diversity Conference and Trade Show
 - GSA/SBA Best Practices Session
 - Maryland Chamber of Commerce Business Conference
 - Women’s Business Enterprise Network Conference
 - Various MD/DC Minority Supplier Development Council Events
 - National Minority Supplier Development Council Conference and Trade Show
- Continue to participate as a member of the Utility Forum to enable collective progress in areas currently unavailable

5.0 PLANS FOR SUBCONTRACTING

To increase DBE subcontracting dollars in 2011, BGE plans to:

- Revisiting current contracts with limited or no 2nd tier diverse spend to maximize diverse subcontracting opportunities
- Participate in planning, pre-bid, and phase gate meetings to ensure DBE participation
- Conduct meetings with top prime suppliers to increase their subcontracting performance by explaining the advantages of subcontracting with DBEs
- Encourage DBE subcontractors who are not currently certified to seek certification
- Require subcontracting plans in all requests for proposals (RFPs) and final contracts
- Leverage local and national advocacy organization databases to identify potential subcontractors
- Monitor DBE subcontracting commitments and performance

6.0 PLANS FOR COMPLYING WITH DIVERSE SUPPLIER PROGRAM GUIDELINES

BGE will continue its efforts to meet or exceed all requirements established by the Memorandum of Understanding