



OWNED BY THOSE WE SERVE

March 28, 2013

Maryland Public Service Commission
William Donald Schaefer Tower
Attn: Mr. David J. Collins
Executive Secretary
6 St. Paul Street – 16th Floor
Baltimore, MD 21202-6806

RE: 2013 Annual Plan & 2012 Annual Report for Supplier Diversity

Dear Mr. Collins:

In accordance with Section 6 of the Memorandum of Understanding dated July 15, 2009 between the Commission and Choptank Electric Cooperative, enclosed please find the original and seventeen (17) copies of the Choptank Electric Cooperative 2013 Supplier Diversity Annual Plan. Also enclosed is the Diversity Annual Report of Calendar Year 2012.

Please feel free to call me if you have any questions.

Best regards,

Lisa H. Wothers
Manager, Finance & Regulatory Affairs

Enclosure



Choptank Electric Cooperative, Inc.
Annual Plan for Calendar Year 2013
Minority, Women and Service-Disabled Veteran-Owned
Business Enterprises
January 1, 2013 – December 31, 2013

The following is hereby submitted as an “Annual Plan” pursuant to the State of Maryland Public Service Commission Memorandum of Understanding (MOU), signed on July 15, 2009. This Plan is submitted for the consideration of the Maryland Public Service Commission by Choptank Electric Cooperative (Choptank).

This plan will be in effect for the period of January 1, 2013 through December 31, 2013.

Choptank will continue its internal and external outreach efforts to identify and develop diverse suppliers for participation in the Choptank’s Diverse Supplier procurement program with a special emphasis on promoting contracting opportunities with Maryland diverse suppliers.

Annual Plan (MOU §6):

1. A description of Diverse Supplier program activities planned for the next calendar year. (MOU §6.1.1):

- a. Attend monthly/bi-monthly Maryland Utility Forum meetings and actively participate in achieving the following 2013 Maryland Utility Forum goals:
 - i. Provide purchasing opportunities for minority, women, service disabled veteran-owned business enterprises and those not for profit promoting the interests of physically or mentally disabled individuals;
 - ii. Leverage utility experience to determine best practices, common goals, and supplier outreach opportunities;
 - iii. To be the source of subject matter expertise in all matters of Supplier Diversity in the State of Maryland; and
 - iv. Provide uniformity and consistency in reporting to ensure compliance with the Maryland Public Service Commission.
- b. The Choptank Supply Chain Manager will work with the Forum and individual lines of business to propose goals, monitor progress, highlight success, communicate areas of opportunity and meet with suppliers and internal customers to explore additional areas of opportunity.
- c. Choptank’s staff will encourage participation of strategic sourcing partners in business and advocacy group training such as the National Minority Supplier Development Council Conference, the MD/DC Minority Supplier Development Council events, other regional Council events, opportunity fairs, seminars and conferences, to ensure:
 - i. Maximum level of opportunities for diverse suppliers
 - ii. Expanded contracting opportunities
 - iii. Discussions on the use of local Maryland based minority-owned businesses to meet the Choptank’s operating requirements
 - iv. Understanding of the MOU for supplier diversity
- d. Meetings and discussions will be held with Choptank employees to:

- i. Offer Supplier Diversity resources in identifying and qualifying Diverse Suppliers for contracting opportunities
 - ii. Discuss Supplier Diversity program enhancements and changes in policies and procedures
 - iii. Provide referrals to lines of business
 - iv. Provide annual progress of target and corporate goals
 - v. Solicit input on how to further improve or enhance the program
 - vi. Implement changes to enhance the program
 - vii. Insure that future RFP's include information with regard to MBE census collection
- e. Choptank Staff supports a wide range of outreach efforts. These activities are designed to identify and maximize contracting opportunities. Choptank Staff plans to participate in conferences, trade shows, and workshops when available.
- f. Choptank Staff invites and encourages participation in the outreach initiatives and actively promotes the use of diverse suppliers in Maryland. Choptank Staff will participate in events during 2013 to ensure the maximum level of promotion of opportunities for Maryland minority-owned businesses. A sample of groups to promote contracting opportunities with Maryland minority-owned businesses includes the following:

MD Minority Supplier Development Council
 County Chambers of Commerce on the Delmarva Peninsula
 Maryland Chamber of Commerce

- g. Choptank Staff will investigate participation in regional and national organizations advocating diverse supplier development and actively encourages participation by local businesses in these organizations' activities to expand their business opportunities. Samples of these organizations are listed below.

National Minority Supplier Development Council
 National Association of Minority Contractors
 WEBANC

2. Plans for recruiting Diverse Suppliers of products and services where utilization has been low (MOU §6.1.2) and Plans for seeking and/or recruiting Diverse Suppliers of products or services where Diverse Suppliers are currently unavailable (MOU §6.1.3):

- a. Choptank will continue to use the NAICS material group code method to maximize use of diverse suppliers for the Cooperative.
- b. Continued sessions with Choptank employees to ensure understanding of the goals and to identify and expand areas of opportunity for diverse suppliers.
- c. Choptank Staff will cooperate with Utility Forum members and 1st Tier suppliers in identifying program suppliers to support the Choptank's operations. Newly identified contracting opportunities will be communicated to the Supply Chain Manager.
- d. Construction projects will continue to encourage the use of diverse suppliers as prime contractors and to encourage majority contractors/suppliers to develop and use diverse suppliers.

- e. Choptank will continue its efforts to seek resources for opportunities with Maryland diverse suppliers in professional services and financing opportunities as appropriate.

3. Plans for encouraging Prime Contractors to engage Diverse Suppliers in subcontracts that include subcontracting opportunities(MOU §6.1.4):

Choptank will hold meetings with Primes to make them aware of the MOU.

4. Plans for complying with the Diverse Supplier program guidelines established by the Commission (MOU §6.1.5):

- a. Choptank has initiated the implementation of a reporting and tracking system that will provide spend information from Choptank’s contractors to identify diverse supplier spending.
- b. Choptank will review its database and continue to identify possible candidates for MBE certification. Choptank will follow through on any diverse suppliers without current certifications where the spend is to exceed \$25,000.
- c. Choptank will meet with other Maryland utilities and industry contacts in an effort to increase supplier diversity awareness and further enhance the Supplier Diversity initiative.
- d. Submit the Annual Reports as outlined in Section 6 of the MOU.

Choptank will work towards continually increasing its total percent spend with minority, women and service disabled veterans to attempt to accomplish the 25% goal. The short, mid, and long term goals are summarized below reflect increases over the next five-year period.

<i>Diverse Suppliers</i>		<i>Short</i>	<i>Mid</i>	<i>Long</i>
Choptank	2013	(1 yr.)	(3 yr.)	5 (yr.)
Minority		0.500%	1.000%	2.000%
Women		7.500%	8.000%	9.500%
Service Disabled Veteran		0.002%	0.010%	0.250%
Total		8.002%	9.010%	11.750%

Public Service Commission of Maryland
 Supplier Diversity Annual Report of
 Socially Disadvantaged Groups
 (MOU Sec. 6.2.2)

ATTACHMENT A							
	UTILITY NAME: Choptank Electric Cooperaive						
	FOR THE REPORTING YEAR: CY 2012						
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
LINE #	DESCRIPTION	DIRECT (\$)	SUB CONTRACT (\$)	DIVERSE SUPPLIER PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER PROCUREMENT	TOTAL UTILITY PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER (\$) TO TOTAL UTILITY PROCUREMENT
				COLS. (C) + (D)	\$/ TOTAL COL. (E)		Col. (E) / Col. G
	MINORITY BUSINESS ENTERPRISE						
1	AFRICAN-AMERICAN	\$0	\$0	\$0	0.00%		0.00%
2	AMERICAN INDIAN/NATIVE AMERICAN	\$0	\$0	\$0	0.00%		0.00%
3	ASIAN	\$0	\$0	\$0	0.00%		0.00%
4	HISPANIC	\$0	\$0	\$0	0.00%		0.00%
5	TOTAL MINORITY BUSINESS ENTERPRISE	\$0	\$0	\$0	0.00%		0.00%
6							
7							
8	WOMEN BUSINESS ENTERPRISE	\$1,886,444	\$0	\$1,886,444	100.00%		8.44%
9							
10	SERVICE DISABLED VETERAN BE	\$0	\$0	\$0	0.00%		0.00%
11							
12	NOT FOR PROFIT WORKSHOPS	\$0	\$0	\$0	0.00%		0.00%
13							
14	GRAND TOTAL	\$1,886,444	\$0	\$1,886,444	100.00%		\$22,357,101

Public Service Commission of Maryland
Supplier Diversity Annual Report of
NAICS Codes
(MOU Sec. 6.2.2)

ATTACHMENT A-2										
		UTILITY NAME: Choptank Electric Cooperaive								
		FOR THE REPORTING YEAR: CY 2012								
RESULTS BY PRODUCT										
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
LINE #	NAICS #	PRODUCT/SERVICE DESCRIPTIONS BY NAICS CODE ^{1,2}	MINORITY BUSINESS ENTERPRISE	WOMEN BUSINESS ENTERPRISE	SERVICE DISABLED VETERAN BUSINESS ENTERPRISE	NOT FOR PROFIT WORKSHOPS	TOTAL DIVERSE SUPPLIER (\$) BY NAICS CODE	PERCENTAGE (%) TO TOTAL DIVERSE SUPPLIER (\$) BY NAICS	TOTAL UTILITY PROCUREMENT **	PERCENTAGE OF DIVERSE SUPPLIER (\$) TO TOTAL UTILITY PROCUREMENT
							COLS. (D), (E), (F), and (G)	\$/ TOTAL COL. (H)		COL. (I) / TOTAL COL. (J)
			\$	\$	\$	\$	\$	%	\$	%
1	237	Heavy and Civil Engineering Construction	\$0	\$1,184,292	\$0	\$0	\$1,184,292	62.7790%		5.30%
2	321	Wood Product Manufacturing	\$0	\$128,684	\$0	\$0	\$128,684	6.8215%		0.58%
3	335	Electrical Equipment, Appliance, and Component Manufacturing	\$0	\$38,450	\$0	\$0	\$38,450	2.0382%		0.17%
4	423	Merchant Wholesalers, Durable Goods	\$0	\$493,871	\$0	\$0	\$493,871	26.1800%		2.21%
5	441	Motor Vehicle and Parts Dealers	\$0	\$1,651	\$0	\$0	\$1,651	0.0875%		0.01%
6	442	Furniture and Home Furnishings	\$0	\$3,609	\$0	\$0	\$3,609	0.1913%		0.02%
7	444	Building Material and Garden	\$0	\$578	\$0	\$0	\$578	0.0306%		0.00%
8	515	Broadcasting (except Internet)	\$0	\$8,325	\$0	\$0	\$8,325	0.4413%		0.04%
9	541	Professional, Scientific, and Technical Services	\$0	\$1,911	\$0	\$0	\$1,911	0.1013%		0.01%
10	561	Administrative and Support Services	\$0	\$12,232	\$0	\$0	\$12,232	0.6484%		0.05%
11	611	Educational Services	\$0	\$2,656	\$0	\$0	\$2,656	0.1408%		0.01%
12	722	Food Services and Drinking Places	\$0	\$7,186	\$0	\$0	\$7,186	0.3809%		0.03%
13	624	Social Assistance	\$0	\$3,000	\$0	\$0	\$3,000	0.1590%		0.01%
14										
15										
16										
17		Other	\$0	\$0	\$0	\$0	\$0	0.0000%	0.00%	
18										
19		Totals	\$0	\$1,886,444	\$0	\$0	\$1,886,444	100.00%	\$22,357,101	8.44%
20										
21	Footnotes:									
22	1	NAICS Codes listed are subject to change								
23										
24	2	To the extent that disclosure of the contract amount dollars applies to only one vendor, the Utility may confidentially report data for columns (D) through (K).								

Public Service Commission of Maryland
 Supplier Diversity Annual Report of
 Goal Comparison
 (MOU Sec. 6.2.2)

ATTACHMENT A-3			
	UTILITY NAME: Choptank Electric Cooperaive		
	FOR THE REPORTING YEAR: CY 2012		
(A)	(B)	(C)	(D)
LINE #	DESCRIPTION	CURRENT YEAR RESULTS (%)	CURRENT YEAR GOALS (%)
1	MINORITY BUSINESS ENTERPRISE	0.000%	1.000%
2			
3	WOMEN OWNED BUSINESS ENTERPRISE	8.438%	2.000%
4			
5	SERVICE DISABLED VETERAN BUSINESS ENTERPRISE	0.000%	0.002%
6			
7	NOT FOR PROFIT WORKSHOPS	0.000%	0.000%
8			
9	TOTAL	8.438%	3.002%

Public Service Commission of Maryland
 Supplier Diversity Annual Report of
 Program Expenses
 (MOU Sec. 6.2.3)

ATTACHMENT B					
	UTILITY NAME:	Choptank Electric Cooperaive			
	FOR THE REPORTING YEAR:	CY 2012			
(A)	(B)	(C)	(D)	(E)	(F)
LINE #	EXPENSE CATEGORY	EXPENSE AMOUNT (\$)	PERCENTAGE TO TOTAL PROGRAM EXPENSES	TOTAL UTILITY SPEND ON GENERAL AND ADMINISTRATIVE EXPENSES	PERCENTAGE (\$) OF PROGRAM EXPENSES TO TOTAL UTILITY G&A EXPENSES
			Col. (C) \$ / Total Col. (C)		Col. (C) \$ / Total Col. (E)
1	Employee Salary Expenses	\$6,461	94.07%		0.11%
2	Other Employee Expenses	\$407	5.93%		0.01%
3	Program Expenses	\$0	0.00%		0.00%
4	Reporting Expenses	\$0	0.00%		0.00%
5	Training	\$0	0.00%		0.00%
6	Consultants	\$0	0.00%		0.00%
7	Other Program Expenses (List)				0.00%
8	Fees for Trade Show/Networking Events	\$0	0.00%		0.00%
9		\$0	0.00%		0.00%
10		\$0	0.00%		0.00%
11		\$0	0.00%		0.00%
12		\$0	0.00%		0.00%
13		\$0	0.00%		0.00%
14		\$0	0.00%		0.00%
15	TOTAL EXPENSES	\$6,868	100.00%		\$5,850,585