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# EASTON UTILITIES

201 North Washington Street, P.O. Box 1189 Easton, Maryland 21601  
Telephone (410) 822-6110 Fax (410) 822-0743  
[www.eastonutilities.com](http://www.eastonutilities.com)

March 15, 2013

Ms. Terry J. Romine  
Executive Secretary  
Maryland Public Service Commission  
William Donald Schaefer Tower  
6 St. Paul Street, 16<sup>th</sup> Floor  
Baltimore, MD 21202

**FILED**

MAR 18 2013

**PUBLIC SERVICE COMM  
OF MARYLAND**

RE: Annual Plan for Calendar Year 2013 of Minority, Women & Service-Disabled  
Veteran-Owned Business Enterprises and Supplier Diversity Annual Report for  
Calendar Year 2012

Dear Ms. Romine:

Enclosed please find an original, seventeen copies and one e-file copy of the Annual Plan for Calendar Year 2013 of the Minority, Women and Service-Disabled Veteran-Owned Business Enterprises. Also enclosed is the Supplier Diversity Annual Report for Calendar Year 2012.

If you should have any questions, please write or call me at 410-822-6110, Ext. 1215.

Sincerely,

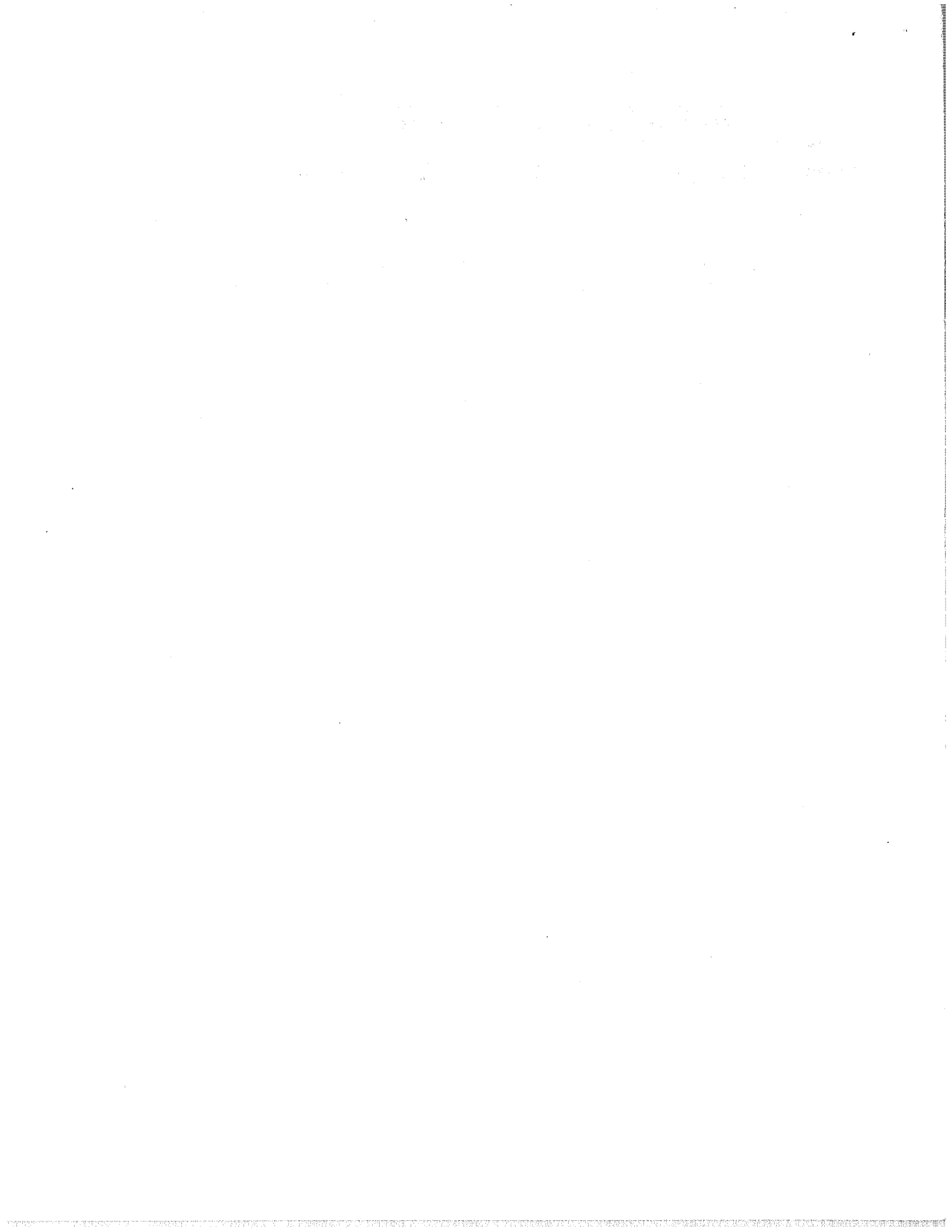
EASTON UTILITIES

A handwritten signature in black ink, appearing to read "John E. Hines III", is written over a horizontal line.

John E. Hines III, PE  
Electrical Engineer

JEH/klk

Enclosures



**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 Easton Utilities.

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

1. Easton will work towards increasing its total percent spend with minority, women and service disabled veterans. The short term, mid term and long term goals as summarized below reflect incremental goals over the next five years. Longer term, Easton will attempt to achieve the 25% total spend goal.

<i>Diverse Suppliers</i>		<i>Short</i>	<i>Mid</i>	<i>Long</i>
Easton		(1 yr.)	(3 yr.)	5 (yr.)
Minority		0.500%	1.000%	1.5%
Women		4.500%	5.000%	5.5%
Service Disabled Veteran		0.001%	0.002%	0.003%
Handicapped Workshops		0.001%	0.002%	0.003%
<b>Total</b>		<b>5.002%</b>	<b>6.004%</b>	<b>7.006%</b>

2. **Internal and external outreach efforts to identify and develop diverse suppliers for participation in the Company’s Diverse Supplier procurement program with a special emphasis on promoting contracting opportunities with Maryland diverse suppliers (MOU § 6.1).** Activities planned by Easton for calendar year 2013 include:
  - a. Participate in the established Maryland Diverse Supplier Workgroup (MDSW).
  - b. Work with the MDSW 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. Encourage participation of strategic sourcing partners and line of business personnel 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, Edison Electric Institute (EEI) Seminar & Tradeshow events, opportunity fairs, seminars and conferences, to ensure:
    - Maximum level of opportunities for minority and protected class suppliers;
    - Expanded contracting opportunities;
    - Focused discussions on the use of local Maryland based minority-owned businesses to meet the Company’s operating requirements; and
    - Understanding of the MOU for supplier diversity.

Ongoing meetings and discussions will be held with Company employees to:

- Discuss the business case for minority business development;
  - Offer Supplier Diversity resources in identifying and qualifying Diverse Suppliers for contracting opportunities;
  - Discuss Supplier Diversity program enhancements and changes in policies and procedures;
  - Provide referrals to lines of business;
  - Provide annual progress of target and corporate goals;
  - Solicit input on how to further improve or enhance the program; and
  - Implement changes to enhance the program
- d. Support a range of outreach efforts. These activities are designed to identify and maximize contracting opportunities. Easton participates in conferences, trade shows, and workshops.
- e. Invite and encourage participation in outreach initiatives and promote the use of diverse suppliers in Maryland. Easton will participate in events this year 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;
  - Talbot County Chamber of Commerce; and
  - Maryland Chamber of Commerce.
- f. Investigate the participation in regional and national organizations advocating diverse supplier development and actively encourage 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;
  - EEI (Edison Electric Institute) Minority Business Committee;
  - National Association of Minority Contractors; and
  - U.S. Small Business Administration (SBA).

**3. Plans for recruiting Diverse Suppliers of products and services where utilization has been low, underutilized or currently unavailable (MOU § 3.2.1).** Easton will continue efforts to identify and pre-qualify diverse suppliers seeking business opportunities with Easton. Easton's efforts will include:

- a. Conduct sessions with lines of business to ensure understanding of the goals and departmental responsibilities and to identify and expand areas of opportunity for diverse suppliers.
- b. Work on the development of creative and innovative ways to decrease the number of bids which do not include diverse suppliers.

- c. Cooperate in identifying suppliers to support the Company's operations. Newly identified contracting opportunities will be communicated to Departments.
  - d. Continue to encourage the use of diverse suppliers as prime contractors for construction projects and to encourage majority contractors/suppliers to develop and use diverse suppliers.
  - e. Continue its efforts to maximize contract opportunities for Maryland diverse suppliers in professional services.
  - f. Investigate opportunities for advertising in local, regional and national publications during 2012.
  - g. Investigate the use of multi-media advertising, which includes radio, magazines, newspapers, newsletters and other publications to reach its ethnic communities. Maryland markets are being targeted for developing procurement opportunities. A segment on supplier diversity has been added to our corporate web site [www.eastonutilities.com](http://www.eastonutilities.com) (Appendix A)
4. **Plans for encouraging Prime Contractors to engage Diverse Suppliers in subcontracts that include subcontracting opportunities (MOU § 3.3).** Easton will:
- a. Continue to develop plans and strategies to use diverse suppliers in all aspects of Easton's electric utility operations.
  - b. Support alliances with diverse suppliers that provide value-added services to Easton.
5. **Plans for complying with the established Diverse Supplier program guidelines (MOU § 6.1)**  
Easton will:
- a. Investigate the implementation of a reporting and tracking system that will provide spend information from Easton's prime contractors to diverse suppliers.
  - b. Review the findings and follow through on any diverse suppliers that do not have current certifications where spend will exceed \$25k.
  - c. 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.

# Appendix A- Supplier Diversity Website Information

The screenshot shows a web browser window with the URL [www.eastonutilities.com/SitePage/AboutUs/SupplierInfo.aspx](http://www.eastonutilities.com/SitePage/AboutUs/SupplierInfo.aspx). The page header features the Easton Utilities logo, the company name "EASTON UTILITIES", and the phone number "410-822-6110". Below the header is a navigation menu with links for "ELECTRIC", "NATURAL GAS", "WATER & WASTEWATER", "CABLE", "INTERNET", and "PHONE". A secondary navigation bar includes links for "Executive", "Management", "Community Support", "Employment Opportunities", "Environmental Stewardship", "Supplier Info", and "Easton Utilities Commission".

The main content area is titled "Supplier Info" and contains the following text:

Easton Utilities establishes a Minority Business Development Program to identify diverse suppliers to meet its needs for goods and services. At Easton Utilities, the program is now known as Supplier Diversity.

**Primary Objective**  
To create a strategy designed to identify, assess and procure the best, most cost-effective and service-oriented small business products and services that meet its maximum reasonable economic, technical and capacity for contracts and subcontracts in Easton. Other objectives for goods and services:

**Targeted Participants**

- African American
- Asian American
- Hispanic American
- Native American
- Senior Citizen Veterans
- Physically Handicapped
- Women

**More Information**  
For more information on Easton Utilities' Supplier Diversity Program, please call Lorraine Lammie at 410-822-6110.

**For information on the Maryland Public Service Commission Supplier Diversity Program visit**  
<http://www.psc.state.md.us/REG/Pages/SupplierDiversity.aspx>

At the bottom of the page, there is a footer with the text "© 2011 Easton Utilities. All rights reserved. Privacy Policy | Terms of Use | Site Map | Feedback" and social media icons for Facebook and Twitter.

Public Service Commission of Maryland  
 Supplier Diversity Annual Report  
 (MOU Sec. 5.1.2)

ATTACHMENT A						
		UTILITY NAME: EASTON UTILITIES COMMISSION				
		FOR THE REPORTING YEAR: CY2012				
(A)	(B)	(C)	(D)	(E)	(F)	(G)
LINE #	DESCRIPTION	DIRECT (\$) *	SUB CONTRACT (\$)	DIVERSE SUPPLIER PROCUREMENT (\$)	TOTAL UTILITY PROCUREMENT (\$) *	PERCENTAGE (%) OF DIVERSE SUPPLIER (\$) TO TOTAL UTILITY PROCUREMENT
				COLS. (C) + (D)		Col. (E) / Total Col. (F)
1	AFRICAN-AMERICAN	\$5,199	\$0	\$5,199		0.20%
2	WOMEN-OWNED	\$110,942	\$0	\$110,942		4.29%
3	TOTAL	\$116,141	\$0	\$116,141	\$2,583,768	4.50%
* It is not feasible for Easton to remove the amount of invoiced freight charges (a non-sourcable Spend Category), therefore those amounts are included in both Direct and Total Utility Procurement, which inflates the amounts shown.						

Public Service Commission of Maryland  
 Supplier Diversity Annual Report of  
 Program Expenses  
 (MOU Sec. 5.1.3)

ATTACHMENT B					
	UTILITY NAME:	EASTON UTILITIES COMMISSION			
	FOR THE REPORTING YEAR:	CY2012			
(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	\$2,925	96.93%		0.11%
2	Other Employee Expenses	\$0	0.00%		0.00%
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	0.00%		0.00%
8	Travel Expenses for events	\$93	3.07%		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	\$3,017	100.00%	\$2,622,856	0.12%



Public Service Commission of Maryland  
 Supplier Diversity Annual Report of  
 Complaints  
 (MOU Sec. 5.1.5)

ATTACHMENT C					
UTILITY NAME:		EASTON UTILITIES COMMISSION			
FOR THE REPORTING YEAR:		CY2012			
(A)	(B)	(C)	(D)	(E)	(F)
LINE #	NAME OF COMPANY	FILING DATE OF COMPLAINT	NATURE OF COMPLAINT	RESOLVED YES OR NO	IF NO, PLEASE PROVIDE CURRENT STATUS
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

Public Service Commission of Maryland  
 Supplier Diversity Annual Report of  
 Vendor Contracts  
 (MOU Sec. 5.1.7)

ATTACHMENT D <sup>1</sup>		UTILITY NAME: EASTON UTILITIES COMMISSION								
		FOR THE REPORTING YEAR: CY2012								
(A)	(B)	(C)	(D)	(E)						
LINE #	VENDOR NAME	AMOUNT (\$)	NAICS CODE	SELF-CERTIFIED: YES (Y) or NO (N)						
1	BJ Spector Inc	\$886	448	Y						
2	BP Environmental Inc	\$27,710	562	Y						
3	Brison Co	\$61	423	Y						
4	Buttons & Bows Clowning	\$123	713	Y						
5	CAPS Communication & Power Supplies	\$8,550	423	N						
6	Chesapeake Environmental Lab Inc	\$880	541	N						
7	Eastburn Dog Supply	\$1,090	448	Y						
8	Monteray Farm Flowers & Gifts	\$36	453	Y						
9	Moore Syndication Inc	\$540	424	Y						
10	Old Mill Market LLC	\$1,181	722	Y						
11	Rollgard Inc	\$3,912	333	Y						
12	SDS - Satisfaction Development Systems	\$14,250	541	Y						
13	SeeView Security Inc	\$46,084	423	N						
14	Sharper Graphics Inc	\$172	323	Y						
15	Shred It Baltimore	\$339	561	Y						
16	Summit Training Source	\$2,021	512	N						
17	Trojan Alarm Solutions Inc	\$5,199	561	N						
18	Universal Electronic Supply Co	\$1,705	423	Y						
19	Weller Agency LLC	\$1,401	541	Y						
20										
21		\$116,141								
22	Footnotes:									
23	1 To the extent that disclosure of the contract amount dollars applies to only one vendor,									
24	the Utility may confidentially report data for columns (B) through (E).									