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VIA ELECTRONIC MAIL

March 29, 2023

The Honorable Guy Guzzone and
Members of the Senate Budget and
Taxation Committee
11 Bladen Street, 3 West
Miller Senate Office Building
Annapolis MD 21401

The Honorable Brian J. Feldman and
Members of the Senate Education, Energy,
and the Environment Committee
11 Bladen Street, 2 West
Miller Senate Office Building
Annapolis MD 21401

**Re: SUPPORT – HB 783 – Washington Suburban Sanitary Commission – Minority
Business Enterprise Utilization Program – Revisions and Extension MC/PG 101-23**

Dear Chairman Guzzone, Chairman Feldman and Members of the Committees:

The Washington Suburban Sanitary Commission (WSSC Water) **SUPPORTS** HB 783 *Washington Suburban Sanitary Commission – Minority Enterprise Utilization Program – Revisions and Extension MC/PG 101-23*. WSSC Water will not oppose the amendments adopted by the House that were first adopted by the Prince George's County House Delegation.

The proposed legislation will update, modernize, streamline, and strengthen provisions by providing legislative findings and emphasizing the Minority Business Enterprise (MBE) Utilization Program's purpose of remedying discrimination. Most importantly, this legislation includes extending the Office of Supplier Diversity and Inclusion's (OSDI) statutory authority to have an MBE Program for five (5) years, ending on June 30, 2028. Current authority to conduct this Program sunsets on June 30, 2023.

The MBE Utilization Program is administered by WSSC Water's Office of Supplier Diversity and Inclusion and seeks to remedy business discrimination by facilitating the participation of certified minority business enterprises (MBEs) for solicitations for goods and services, as well as design/build construction contracts. Authorization for the MBE Utilization Program is based on a disparity study conducted every five (5) years.

The disparity study determines whether there is evidence of business discrimination in the utilization of minority and women owned firms within WSSC Water's market area for

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Honorable Brian J. Feldman
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construction, architecture and engineering, goods and services and professional services. The disparity study provides the factual predicate – or evidence – necessary to meet the legal requirements for the continuation of the MBE program. The latest disparity study was completed in 2022 and covers fiscal years 2015 to 2019.

The continuation of WSSC Water's MBE Utilization Program is predicated on the results of the 2022 Disparity Study, which found statistically significant adverse disparities in WSSC Water's own contracting as well as in private sector firm formation, and business owner earnings, and in access in capital in the same geographic markets and industry categories in which WSSC Water conducts business. In addition, the study identified qualitative evidence of discrimination in the same markets. All of this data combines to present a strong basis in evidence that firms owned by minorities and women continue to confront discrimination. We have attached a copy of the 2022 Disparity Study to this testimony for your Committee's information. You can also review a copy of the Study on our website at <https://www.wsscwater.com/sites/default/files/2023-01/WSSC%20Water%20Final%20Report%2011092022.pdf>

In addition to extending the Program's authorization, HB 783 streamlines the program to consolidate all procurement categories under one MBE Program; clarifies, consistent with current law, that WSSC Water's certification requirements must substantially duplicate State certification requirements; provides important legislative findings and the MBE Program's purpose of remedying discrimination; and eliminates duplicative program requirements.

WSSC Water requests your **SUPPORT** for HB 783 to strengthen WSSC's MBE program and extend the authorization of the MBE Utilization Program for five (5) years.

If you have any questions, please contact me at 240-917-5356 or guy.andes@wsscwater.com.

Sincerely,



Benjamin F. Guy Andes IV
Acting Director, Intergovernmental Relations Office