

**Department of Legislative Services**  
Maryland General Assembly  
2017 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 319 (Montgomery County Delegation and Prince George's  
County Delegation)

Health and Government Operations Education, Health, and Environmental Affairs

---

**Washington Suburban Sanitary Commission - Office of Supplier Diversity and  
Inclusion and Minority Business Enterprise Program**  
**MC/PG 106-17**

---

This bill extends, from July 1, 2017, to July 1, 2022, the authorization of the Washington Suburban Sanitary Commission's (WSSC) minority business enterprise utilization program. The bill renames WSSC's Office of Small, Local, and Minority Business Enterprise to the Office of Supplier Diversity and Inclusion.

The bill takes effect June 1, 2017.

---

**Fiscal Summary**

**State Effect:** None.

**Local Effect:** The bill does not materially affect WSSC's operations or finances.

**Small Business Effect:** None.

---

**Analysis**

**Current Law:** Chapter 404 of 2012 reauthorized WSSC's minority business enterprise utilization program until July 1, 2017. Chapter 621 of 2007 reauthorized WSSC's minority business enterprise utilization program until July 1, 2012, and codified the existence of the Office of Small, Local, and Minority Business Enterprise (OSLMBE).

The minority business enterprise utilization program within WSSC helps facilitate the participation of responsible certified minority business enterprises (MBEs) for design/build construction contracts. Solicitations for design/build contracts must include the expected degree of participation by MBEs in the contract. Regulations establishing the minority business enterprise utilization program for design/build contracts must:

- recognize MBEs certified by the State and any other certification program that duplicates the requirements of State certification as an MBE;
- provide for an increase in MBE participation as prime contractors and subcontractors;
- allow some contracts to waive the program's requirements if they conflict with WSSC's overall objectives and responsibilities;
- allow for the graduation from the program of MBEs that no longer require special assistance;
- for solicitations that have an expected degree of MBE participation, require bids and proposals to include proof of involvement by an MBE; and
- require contractors to adhere to certain reporting requirements.

WSSC is also authorized to operate a minority business enterprise utilization program for goods and services procurements if it determines that MBEs are underrepresented in those contracts and that such a program is necessary to remedy past discrimination against MBEs. In addition to including most of the requirements for the design/build MBE program, regulations for this program must:

- authorize MBE participation only through subcontracting;
- grant bidding preferences for MBEs of up to the lesser of 5% of the contract value or \$50,000;
- create a sheltered market program that restricts bidding on certain contracts only to MBEs; and
- establish targets that 40% of contracts be awarded to both Montgomery County-based and Prince George's County-based businesses.

OSLMBE is charged with:

- promoting and coordinating WSSC's plans, programs, and operations that promote or otherwise affect the establishment, preservation, and strengthening of MBEs;
- promoting activities and use of resources by WSSC, local governments, and private entities for the growth of MBEs;
- providing technical and managerial assistance to MBEs;

- scheduling seminars and workshops to educate MBEs about how WSSC conducts business; and
- ensuring compliance with MBE subcontract participation goals.

OSLMBE is charged with confirming that prime contractors honor their commitments to their MBEs and maintain the promised level of participation by MBE contractors, subject to corrective actions, contract termination, or other remedy identified in the contract. By October 31 of each year, WSSC is required to submit annual reports to the legislative delegations of Montgomery and Prince George's counties regarding the implementation and administration of its MBE programs. OSLMBE also administers WSSC's optional Local Small Business Enterprise Program.

**Background:** WSSC is among the largest water and wastewater utilities in the country, providing water and sewer services to 1.8 million residents in Montgomery and Prince George's counties. It has more than 460,000 customer accounts, serves an area of around 1,000 square miles, and currently employs more than 1,500 people. The commission operates three reservoirs, two water filtration plants, and six wastewater treatment plants. The six wastewater treatment facilities, as well as the Blue Plains Advanced Wastewater Treatment Plant, handle more than 200 million gallons of wastewater per day. The commission maintains nearly 5,600 miles of water main lines and nearly 5,500 miles of sewer main lines.

---

### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Washington Suburban Sanitary Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2017  
mm/hlb Third Reader - March 21, 2017

---

Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510