

## Supplier Diversity

If you read the February issue of *Watts News*, you saw the photo of Leona Charles, our new supplier diversity program manager. Leona has been charged with increasing the number of diverse suppliers doing business with SMECO and the percentage of the amount spent on goods and services with diverse suppliers.

Why is this program important to SMECO? Small businesses create the majority of jobs in the U.S., spurring economic development and growth that have far-reaching effects in their communities. The better our local small businesses do, the better we do. A vibrant base of small and diverse businesses in our area will help us strengthen our ability to hire and grow a qualified supply line and provide more employment opportunities for local residents.

What kinds of businesses are categorized as “diverse suppliers?” Businesses that fall into one of the following categories:

- minority owned
- woman-owned
- veteran-owned
- service-related disabled veteran owned

- a not-for-profit organized to promote the interests of physically or mentally disabled individuals
- a business located in a HUBZone (Historically Underutilized Business Zone)

Special consideration is also given to small businesses as defined by the Small Business Administration size standards.

Currently, most of the services SMECO receives through small businesses are for janitorial, paper shredding, fuel, uniforms, auto parts, catering, and grounds maintenance services. Our big ticket items, such as facility construction, transformers, and tree trimming services, involve contracts that are of much higher value.

Many times, our perception of a small business is of one that is less reliable, less experienced, and with fewer staff members. We want to challenge those assumptions when we are looking for new vendors. Large and small businesses alike should have the past performance, capacity, and financial capability to provide the product or service we contract for.



*Leona Charles, Supplier Diversity Program Manager.*

Leona is working to help us find and recruit more vendors who qualify as diverse suppliers or small business concerns. She is also developing useful, comprehensive reports to help us track our spending statistics. To make sure that we capture all the information we need, all of the vendors that do business with SMECO need to register using our online system (located on the “Vendors” tab on our website). We want to ensure that we have an accurate record of what we’re spending with our vendors and that they are qualified to respond to bid requests and purchase orders.

Even businesses that we have worked with in the past need to provide documentation to verify their status and remain active suppliers. In other words, just because someone said their business is veteran-owned (or minority-owned or woman-owned), that doesn’t mean they have the proper credentials or

certifications. It is absolutely essential for us to have the documentation we need to verify their status.

Improving the accuracy of our records will help us when we provide reports to the Public Service Commission on our progress. The Maryland utilities signed on to a memorandum of understanding with the goal of increasing our diverse supplier contracts to 25% of our total contracts. We have a long way to go to reach that goal.

Tracking the information will help Leona determine where to focus when recruiting new vendors. She is also planning to create a standard operating procedure to help us follow an orderly method of acquiring, registering, and certifying vendors so that they can respond to bid requests and qualify for contracts.

But Leona can’t do it alone. We all have to work together on this initiative. Leona is going to create a directory that all employees can access when they want to make a purchase. She is available to work with you on an approach that helps us increase our ability to do business with diverse suppliers and achieve our goal. I appreciate your cooperation and assistance with this important undertaking.