
From: Herskovitz, Richard (PSC)
Sent: Friday, May 17, 2019 11:12 AM
To: PSC - Commission Secretary (PSC)
Cc: Lipscombe, Christopher (PSC); Lee, Angela (PSC); Shelley, Naza (PSC); Frazier, Tiffany (PSC); Mormann, Stephen (PSC); Hu, Grace (PSC); Howley, John (PSC)
Subject: FC 1145 - Workforce Engagement Report
Attachments: RC23-0045-Introduction.pdf
Importance: High

Secretary's Office:

Attached is a copy of Pepco's and the Mayor's office's annual Workforce Engagement Report submitted to Council on March 14, 2019, for the Year 2018 as required by D.C. Code § 34-1311.02 (8). The Report describes and evaluates their respective efforts in meeting the workforce goals stated in the DC PLUG statute.

Please docket this transmittal email and the attached documents in FC 1145.

Thanks.

Rick



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OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

14 2019
The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Re: DC PLUG – Efforts to Engage the District of Columbia Workforce

Dear Chairman Mendelson:

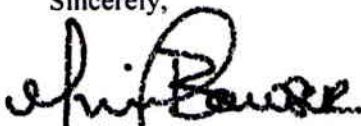
The *Electric Company Infrastructure Improvement Financing Act of 2014* states that “the Mayor and the electrical company should make every practical effort to ensure that District residents are hired for newly created jobs funded by any mechanism wherein the costs of such funding are recovered through the DDOT Underground Electric Company Infrastructure Improvement Charge or the Underground Project Charge, with a goal being that at least 100% of all related jobs are filled by District residents and 100% of the construction contracts are awarded to certified business enterprises or certified joint ventures, where qualified to perform such work.”

The Act further requires that the Mayor and Potomac Electric Power Company (“Pepco”) “issue written reports to the Council that describe and evaluate their respective efforts in meeting the stated goals of this act, where applicable, to identify, hire, and train District residents, where qualified to perform such work, and award construction contract[s] to District businesses” by December 31, 2015 and by each December 31st thereafter until the completion of the work contemplated by the Act.

In accordance with the Act, I hereby submit this report on the efforts of the District Department of Transportation (DDOT) and Pepco to engage the District of Columbia workforce within the context of the District of Columbia Power Line Undergrounding (“DC PLUG”) initiative.

Please feel free to contact DDOT Director Jeff Marootian at jeff.marootian@dc.gov or (202) 671-4097 to discuss any questions you have regarding this report.

Sincerely,



Muriel Bowser



STATE OF GOOD REPAIR

REPORT ON THE EFFORTS TO ENGAGE THE DISTRICT OF COLUMBIA WORKFORCE IN THE DISTRICT OF COLUMBIA POWER LINE UNDERGROUNDING INITIATIVE

**BY THE DISTRICT DEPARTMENT
OF TRANSPORTATION
AND POTOMAC ELECTRIC POWER COMPANY**

JANUARY 31, 2019

BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA

**Report on the Efforts of the District Department of Transportation
And Potomac Electric Power Company to Engage the
District of Columbia Workforce in the District of Columbia
Power Line Undergrounding Initiative**

The Electric Company Infrastructure Improvement Financing Act of 2014,¹ as amended from time to time (as amended, the “Act”) states that “the Mayor and the electrical company should make every practical effort to ensure that District residents are hired for newly created jobs funded by any mechanism wherein the costs of such funding are recovered through the DDOT Underground Electric Company Infrastructure Improvement Charge or the Underground Project Charge, with a goal being that at least 100% of all related jobs are filled by District residents and 100% of the construction contracts are awarded to certified business enterprises or certified joint ventures, where qualified to perform such work.”² The Act further requires that the Mayor and Potomac Electric Power Company (“Pepco”) “issue written reports to the Council that describe and evaluate their respective efforts in meeting the stated goals of this act, where applicable, to identify, hire, and train District residents, where qualified to perform such work, and award construction contract[s] to District businesses” by December 31, 2015 and by each December 31st thereafter until the completion of the work contemplated by the Act.³ In accordance with the Act, the Mayor, through the District Department of Transportation (“DDOT”), and Pepco hereby submit this report on the efforts of DDOT and Pepco to engage the District of Columbia workforce within the context of the District of Columbia Power Line Undergrounding (“DC PLUG”) initiative (“Report”).

I. BACKGROUND AND PROJECT STATUS

In accordance with the Act, DDOT and Pepco filed the First Biennial Underground Infrastructure Improvements Project Plan (“First Biennial Plan”) with the Public Service Commission of the District of Columbia (“Commission”) on July 3, 2017. The Biennial Plan contained plans and preliminary designs for the placement of six overhead feeders underground. The Commission approved the first Biennial Plan in Order No. 19167 on November 9, 2017. Pepco and DDOT are currently procuring contractor services and planning the work for the six feeders included in the First Biennial Plan.

II. FEEDERS 308

Civil Engineering Design

Of the six feeders selected to be placed underground as part of the DC PLUG initiative, DDOT and Pepco chose Feeder 308 as the inaugural feeder. Feeder 308 was chosen as an inaugural feeder because its reliability performance ranked as one of the poorest among all of Pepco’s overhead feeders in the District of Columbia, according to the primary selection criteria outlined in the Act.⁴ Feeder 308 serves nearly 600 customers in the neighborhoods of American University Park and Friendship Heights in Ward 3.

¹ D.C. Law 20-102.

² D.C. Code § 34-1311.02(7)

³ D.C. Code § 34-1311.02(8)

On September 26, 2014, Pepco released a Request for Proposal ("RFP") for professional civil engineering design services for Feeder 308.⁴ Civil engineering design services included the physical survey of the feeder and the design and creation of the schematics for the civil electric utility infrastructure required to place the feeder underground. Bids were due on October 20, 2014 and a contract was awarded on November 3, 2014. Approximately 41% of the contract was awarded to a Certified Business Enterprise (CBE) firm, amounting to more than \$630,000 in contract value for the civil engineering work on Feeder 308. As of this report, the civil engineering design work is complete.

Civil Construction

DDOT issued an invitation for bids ("IFB") for civil construction of Feeder 308 on February 15, 2018. DDOT held a pre-bid conference for Feeder 308 on February 27, 2018, for all interested bidders. DDOT amended the solicitation for civil construction for Feeder 308 as a set-aside for CBE bidders only on March 15, 2018, under the provisions of the Small and Certified Business Enterprise Development and Assistance Act of 2014.⁵ The notice of award was sent to the Fort Myer Construction Corporation ("Fort Myer") on September 12, 2018. An updated and detailed Feeder 308 construction schedule will be developed by Fort Myer and reviewed by the DDOT Construction Management Contractor. DDOT and Pepco will provide the schedule after that time.

III. OTHER DISTRICT WORKFORCE ENGAGEMENT ACTIVITIES

One-On-One Meetings with CBE Contractors

Since the DC PLUG team commenced work on the DC PLUG initiative and at the request of the firms, the team has conducted over 70 one-on-one meetings with CBE and non-CBE firms interested in receiving their CBE certification, to understand their existing capability and discuss their potential participation in the DC PLUG initiative. These firms typically perform professional services, construction management, project management, program management, communications and community outreach. The DC PLUG team will continue to engage CBE firms through one-on-one meetings.

Biennial Plan Filing CBE Participation

As part of the initial application for approval of the First Biennial Underground Infrastructure Improvement Projects Plan, Pepco and DDOT jointly filed among other items, electrical and civil preliminary schematics, geographic information system single line drawings outlining the proposed feeder routes of the recommended feeders, and construction cost estimates for each feeder. DDOT and Pepco enlisted the help of a CBE design firm that also provides staff augmentation services for traditional Pepco electrical distribution work, to aid in the design and preparation of these materials.

⁴ D.C. Code § 34-1311.08 (a)(2)

⁵ DDOT and Pepco are seeking to maximize CBE participation in the professional services contracts associated with DC PLUG work in addition to the goals set by § 34-1311.02 (7) of the D.C. Code.

⁶ D.C. Code § 2-218.01

District of Columbia Resident Hiring

The work required to complete the DC PLUG initiative involves a large amount of civil and electrical engineering design, civil and electrical construction and other professional services. Because of the nature of this work, DDOT and Pepco will rely heavily on contractors to place the selected feeders underground, and the DC PLUG team has and will continue to incorporate into contracting language emphasizing the importance of hiring District of Columbia residents to work on DC PLUG initiative projects. There also will be opportunities throughout the DC PLUG initiative for DDOT and/or Pepco to hire District of Columbia residents for positions that are funded through the same mechanism as the DC PLUG initiative. For example, on April 2, 2018, Pepco hired a District of Columbia resident to serve as the Community Relations Coordinator to the DC PLUG team. The primary role of the Community Relations Coordinator is to act as the DC PLUG initiative's interface with customers and to execute the Education Plan. Additionally, as DC PLUG initiative contracting opportunities increase, DDOT and Pepco intend to hire a compliance contractor to monitor and document compliance with the Act, especially as it pertains to District of Columbia workforce engagement.

To further meet the goals of the Act regarding District of Columbia resident hiring, Pepco gave additional weight to bidders on civil engineering design contracts who demonstrated a District of Columbia workforce engagement plan during Pepco's procurement process for civil engineering design services for Feeder 308. Pepco will continue this practice throughout the DC PLUG initiative by requiring that each contractor that bids on its DC PLUG initiative design or construction RFPs provides to Pepco a plan for awarding subcontracting opportunities to District of Columbia businesses as well as a plan for hiring District of Columbia residents for newly-created jobs resulting from a successful bid for DC PLUG initiative work. Pepco will give additional weight to those bidders whose bids demonstrate a District of Columbia workforce engagement plan and will monitor winning bidders' compliance with their plan throughout the term of the contract.

Construction and Professional Services Outreach Activities

The Joint Applicants began 2018 by jointly holding a March 1, 2018 "match-making" event with over 25 District-based CBE and SBE firms. This initial match-making event was held in advance of the inaugural feeder construction. The match-making event allowed contractors to meet and discuss opportunities to work together on Feeder 308 as well as future feeders. Additionally, on May 15, 2018, the Department of Small and Local Business Development held a meeting on strategies for pursuing government construction contracts to give vendors the opportunity to meet with representatives of the DC PLUG initiative.

The Joint Applicants further continued their engagement by attending the District of Columbia's Small Business Contracting Expo held on October 9, 2018 before concluding the year with participation in the DDOT-led Disadvantaged Business Enterprise Summit & Networking Symposium on November 6, 2018. Approximately 40% of the 100 small businesses who registered and attended the DDOT event are CBEs, and 13 firms based in the District of Columbia were walk-ins to the event.

IV. CAPABILITY & CAPACITY BUILDING PROGRAM

Although not specified in the Act, Pepco created a Capability & Capacity Building ("C&C") Program to expand and develop the pool of qualified CBE construction contractors. Pepco's C&C Program creates opportunities for CBE firms to become qualified by setting up and awarding discrete construction and inspection work packages for existing

feeders that are similar to the type of work that contractors perform on DC PLUG initiative projects. Through this innovative program, CBE construction contractors had the opportunity to demonstrate their capability and capacity to perform work in accordance with Pepco standards on existing Pepco projects and become qualified to bid on, and perform, DC PLUG initiative construction projects as well as normal Pepco projects.

Pepco exclusively invited CBE firms to respond to its RFPs for C&C Program work. The work packages offered through the C&C Program were funded in the same manner as Pepco's normal capital projects, were outside of the DC PLUG initiative, and were not funded through the DC PLUG initiative's funding mechanism. Therefore, the C&C Program represents additional contracting opportunities for CBE firms beyond those specifically related to the DC PLUG initiative. DDOT and Pepco believe that the C&C Program will increase the number of CBE construction contractors qualified to bid on and perform DC PLUG initiative construction work as well as increase the number of qualified contractors for Pepco's existing feeder work. As of December 2018, the District Workforce Engagement Report reflects that five CBE firms completed Pepco's C&C Program and became qualified for work in the DC PLUG initiative and certain aspects of Pepco construction work. Additionally, two of those contractors became Contractors of Choice (COCs) for Pepco, meaning that they have been pre-screened and are now approved construction contractors that are skilled in their assigned discipline of work.

Pepco is currently reviewing its upcoming projects to identify C&C Program opportunities. An RFI was sent through Pepco's internal sourcing platform on April 27, 2018, to over 150 companies. The target audience consisted of DC-based firms engaged in construction, engineering, project management and construction management. Suppliers were invited to provide information about their firm such as their labor profile, financial information, supplier references, environmental and safety history. This information will be used to assist in generating a list of local CBE firms capable of performing DC PLUG initiative work. The RFI closed on May 11, 2018, and roughly 75 firm profiles were created. Based on these results, a handful of construction firms were identified from the RFI. Pepco plans to utilize this information to assist in the commencement for the third installation of the C&C Program beginning in the first quarter of calendar year 2019. To date, the total value of the C&C Program contracts is approximately \$4.1 million, and Pepco anticipates this to increase upon the release and execution of the third installment of the program in 2019.

V. THE PEPSCO SUPPLIER DIVERSITY TEAM AND THE DC INFRASTRUCTURE ACADEMY

The work of Pepco's Supplier Diversity team provides Pepco with important contractor information that can also be utilized by the DC PLUG program. A summary of Pepco's 2018 Supplier Diversity Team outreach in the District of Columbia can be found in Attachment A. The DC Infrastructure Academy, created by Mayor Muriel Bowser in March 2018, provides DC businesses with an additional avenue to evaluate local talent ready to enter the energy and utility sector. Both initiatives will aid the DC PLUG program in achieving the goals set forth in the amended legislation.

The DC Quick Path to Energy is an occupational skills training program held at the DC Infrastructure Academy to prepare District residents for open positions in the energy and utilities industry with Pepco and other employers. The Infrastructure Academy focuses on occupational skills training and work-based learning initiatives related to the infrastructure industry, including the utility, energy efficiency, transportation, and logistics sectors. Through this program District residents will be able to access career counseling and planning; resume assistance; direct job placement; and information about local and regional infrastructure jobs and apprenticeships. Exelon and Pepco have contributed \$5.2 million toward the D.C. Infrastructure Academy and the support of workforce development programs. Pepco has

also provided an additional \$500,000 in cash contributions, donated human resources and operation's subject matter expertise, and installed equipment to support the opening of the DC Infrastructure Academy. Pepco has hired 14 DC Infrastructure Academy graduates and continues to plan for future cohorts. Recent recruitment and information sessions to target and identify additional District residents for training and career opportunities were held on January 17th from 3 pm to 5 pm and January 24th from 10 am to 12 pm at the DC Infrastructure Academy located at 2330 Pomeroy Road, SE, Washington, DC.

VI. CONCLUSION

DDOT and Pepco appreciate the importance of engaging CBE firms and District residents to perform DC PLUG initiative work, where qualified, and are committed to the goals described by the Act. DDOT and Pepco continue to identify ways to engage the CBE contracting community and ensure the success of the DC PLUG initiative in advance of its full implementation.

ATTACHMENT A

Pepco Supplier Diversity Outreach 2018

Pepco Holdings spent \$49 million with local and diverse suppliers last year in the District of Columbia.

Pepco Supplier Diversity staff, key employees and executives participated in outreach events specifically to support efforts to network with and identify qualified prospective local suppliers:

- Pepco sponsored and hosted a special luncheon and networking event for the **Think Local First** award winners on March 6th in the Pepco Gallery. The Local First Awards celebrate local independent businesses and entrepreneurs who make a positive impact on the community in diverse ways.
- May 2nd **District of Columbia Chamber of Commerce (DCCC) Small Business Contracting Expo**, Supplier Diversity staff covered the exhibit table engagement in Washington, DC at Washington Convention Center on October 9th and the Pepco DC PLUG Project Manager managed the matchmaker sessions specifically targeted to discuss the DC PLUG initiative.
- Oct. 9th **District of Columbia Department of Small and Local Business Development Small Business (DSLBD) Contracting Expo**, Supplier Diversity staff covered the exhibit table engagement with suppliers in Washington, DC at Gallaudet University, Washington, DC. The DC PLUG Project Manager handled the matchmaker specifically targeted to discuss the DC PLUG initiative.
- Nov. 6th **DC Department of Transportation (DDOT) Annual Disadvantaged Business Enterprise Summit and Networking Symposium: Linking Businesses to Opportunities and Growth**, Supplier Diversity staff covered the exhibit table engagement at this event held at the Gallaudet University, Washington, DC focusing on engineering firms and heavy construction which included both an expo and a panel on engineering. The Pepco DC PLUG project team engineer, Rosemond Boateng, provided information as a co-presenter with the DDOT Supervisory Engineer on DC PLUG opportunities.
- **Women President's Educational Organization (WPEO-DC)**, Pepco Supplier Diversity participated in the WPEO-DC **Annual Procurement Fair and Matchmaker** event held December 4th at the InterContinental The Willard Hotel in Washington, D.C. This annual event provides an exhibit fair, speakers, and matchmaking opportunities for certified women-owned businesses and corporate members. It also includes an awards program for WPEO-DC corporate members and certified women business enterprises (WBE). Pepco Holdings was honored to receive the 2018 Corporate Opportunity Award. This award is presented to the corporate member recognized for the number of contracts awarded to WPEO certified women-owned businesses in DC, Maryland and Virginia for a one-year period between 2017 and 2018.
 - **How to Do Business with Pepco Holdings/Exelon** was the topic of discussion at the **WPEO-DC Brown Bag** luncheon on July 10th. This event provided an opportunity for women-owned businesses to gain insights into how to do business with PHI, the buying processes, and engaged in in-depth questions and answers session with Pepco DBE/Supplier Diversity staff.
- **Capital Region Minority Supplier Development Council (CRMSDC)** Additionally, supplier diversity staff attended CRMSDC meetings providing opportunities for outreach and networking with local suppliers:
 - Pepco Supplier Diversity staff served as a host and panelist for the CRMSDC Minority Business Input Committee (MBEIC) **Annual Kick-off Breakfast Program** which was held at the Pepco Gallery in Washington, DC on February 21st.
 - Pepco was a title sponsor for the annual **Leaders and Legends Awards Program** at the MGM Resorts Theater at National Harbor in September. Members of the Supply team, Diverse Business Empowerment staff, the Pepco Region President, VP of Technical Services attended to network with

suppliers. The Pepco Region President also provided remarks.

- o Staff also participated in the **CRMSDC Annual Business Meetings** at the AT&T Forum facility in Washington, DC on January 20th and December 13th. This event offers the opportunity for staff to network with local and regional suppliers.

Pepco also participated in various other events in the DC region to engage local and regional suppliers:

Montgomery County Procurement Expos

Pepco Supplier Diversity participated in two Montgomery County Procurement Expos on April 11th and October 5th, coordinated by Montgomery County Office of Procurement and held at the Civic Center in Silver Spring, Maryland. Both events provided an opportunity to meet small and diverse businesses to discuss Pepco/Exelon business opportunities and processes.

Maryland Washington Minority Companies Association(MWMCA)

The Maryland Washington Minority Companies Association held its Annual Spring Awards Breakfast and Procurement Fair at Martin's West in Baltimore, Maryland on May 11th. This event included both a business fair and matchmaker. Pepco and Exelon Supply team members were on hand to meet with suppliers and learn about the suppliers' businesses and discuss how they might be matched with procurement opportunities.

Pepco Supplier Diversity also participated in the MD Live Minority Business Fair on July 26th, coordinated by MWMCA and held at Maryland Live in Hanover, Maryland. This annual event provides an opportunity to meet small and minority businesses.

National Business League Annual ProBiz

The National Business League's Annual ProBiz event was held on July 31st at the Greenbelt Marriott in Greenbelt, Maryland. The Pepco Supplier Diversity staff participated in the business fair and served as a panelist to discuss how to do business with Pepco.

Congressional Black Caucus Annual Legislative Conference

Pepco Holdings/Exelon sponsored, and Supplier Diversity participated in, the 2018 Congressional Black Caucus Annual Legislative Conference. Staff served as panelist to discuss how to do business with Exelon utilities and held matchmaker meetings with regional diverse suppliers. PHI also hosted and sponsored the annual Eleanor Holmes Norton reception in recognition of her contributions to economic development and diversity. It was an opportunity for diverse businesses to network with PHI/Exelon leaders and executives.

Memberships/Involvements with Key Organization

Pepco/Pepco Holdings continued memberships and involvement with regional and national organizations that certify, network and advocate for local and diverse suppliers to maximize outreach to potential suppliers and supplier access to the company.

The Capital Region Minority Supplier Development Council (CRMSDC)

- o Board of Directors
- o Public Policy Committee Chair
- o Leaders and Legends Awards Advisory Committee
- o Certification Committee Site Visits
- o Matchmaker participation

Women's Business Enterprise National Council (WBENC)

- o National Corporate Member
- o Regional Corporate Member of WPEO DC
- o Certification Committee Site Visits
- o Annual Brown Bag Luncheon participant
- o Support expo/matchmaker

Maryland Washington Minority Companies' Association (MWMCA)

- o Annual corporate supporter
- o Annual procurement fairs

The Presidents' Round Table (PRT)

- o Annual corporate supporter
- o Attend annual briefing and awards program

Local/Ethnic Chambers of Commerce

Pepco staff serve on the boards, committees and supports the events of:

- o DC Chamber of Commerce
- o Greater Washington Hispanic Chamber