

Washington Gas Reports Supplier Diversity Achievements

Washington Gas recently filed its Annual Supplier Diversity Report with the Maryland Public Service Commission. The report provides information on the company's supplier diversity accomplishments, and Washington Gas is pleased to announce that for Calendar Year 2011, the company spent over \$48 million non-gas procurement dollars with certified minority, women and service disabled veteran owned businesses.

There were several factors that contributed to the increase in Washington Gas' diversity spend, but the most significant change is the addition of Supplier Diversity on the company's Corporate Scorecard. Company executives receive monthly diversity spend reports and are held accountable for the success of their business units in achieving their individual diversity spend goal. "At Washington Gas, Supplier Diversity is a top level goal along with customer satisfaction, safety and reliability," stated Marcellous Frye, Vice President of Support Services.

Washington Gas has also incorporated supplier diversity language in its contracts, including a statement regarding the company's steadfast commitment to supplier diversity. When applicable, the contract includes Tier 2 requirements which includes the provision of a binding agreement for Primes to report subcontracting spend every quarter. Washington Gas also implemented a web-based reporting system facilitating the submission of reports by Primes and creating one central database where the reports are audited and verified for accuracy. Our newly completed LEED Gold certified office and industrial facility was a \$74 million project where Washington Gas

achieved over 30 percent spend from certified diverse primes and subcontractors.

Another significant change was made to the company's contracting policy in which the company lowered the dollar amount so that all contracts require 3 bids and inclusion of at least one diverse supplier. The new policy will incorporate more diverse suppliers in sourcing events and increase their ability to compete for contracts with Washington Gas.

"Our procurement team is fully committed to supplier diversity and we will continue to work towards our goal of maintaining mutually beneficial partnerships with diverse vendors," stated Laura Welsh, Manager Supply Chain, Contract Management and Supplier Diversity. "In keeping with that goal, Washington Gas recently went live with an on-line registration portal that allows vendors to register with the company at any time. We use the information to refer qualified vendors for bidding opportunities."

Washington Gas is very involved with Supplier Diversity advocacy groups, such as the Maryland Washington Minority Contractors' Association (MWMCA), and participates in outreach events that allow the company to expand its diverse vendor resources. MWMCA is instrumental in helping Washington Gas reach its targeted goal for diversity inclusion. The organization has been very resourceful in their ability to identify qualified members for the company's sourcing events.

Since 1848, Washington Gas distributed natural gas safely and reliably to customers in Maryland, the District of Columbia and Virginia. The company serves over one million residential and commercial customers and understands that its responsibilities extend beyond just providing customers

with gas service. Washington Gas understands that it also has an obligation to help enhance the quality of life throughout the communities it serves, that is why Washington Gas is proud of its unwavering commitment to supplier diversity and promoting the success of local area businesses.