

## NEWS RELEASE

### **PSC Passes “Hire Mississippi” Rule to Increase Business Opportunities for Mississippi-Based Companies**

*In 2016 alone, approximately 70% of operation and maintenance contracts of Mississippi public utilities went to out-of-state companies while only 30% stayed in Mississippi.*

Jackson, Mississippi (August 1, 2017) – Earlier today, the Mississippi Public Service Commission unanimously passed the “Hire Mississippi” rule, a measure designed to bring more Mississippi-based companies to the market of utility contracts. The rule, introduced by Chairman Brandon Presley in May, requires much more aggressive notification and reporting requirements by rate-regulated, investor-owned utilities to track when and how the companies are reaching out and awarding contracts to Mississippi-based companies. The goal of Hire Mississippi is to increase the use of Mississippi-based companies for public utility contracts and create a more transparent and open bid process to boost economic development and employment in the state.

Hire Mississippi requires that

- Utilities must proactively reach out and assist Mississippi-based companies by explaining the bidding process, qualifications and other procurement practices and procedures for the awarding of contracts.
- Certain large contracts must be broken up into separate, smaller scoped contracts to accommodate more bidders.



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- In filings before the Commission, the utilities will be asked whether a Mississippi-based company was chosen for the contract. If an out-of-state firm is selected for a project, the company must explain how they reached that decision.

One of the key innovations in the rule to ensure that Mississippi contractors are made aware of opportunities is the Hire Mississippi List.

- Quarterly, the utilities will be required to publish notice in newspapers across their territory to notify Mississippi-based companies of the opportunity to be considered for contracts.
- Mississippi-based companies on the Hire Mississippi List will receive notification of all known upcoming bids for contracts over \$200,000 within the scope of goods or services they furnish.
- Further, no contract will be awarded to any prime contractor without the utility first providing the prime contractor the utility's Hire Mississippi List for consideration in awarding subcontracts.

The Hire Mississippi List will give utilities and ratepayers the advantage of a more competitive bid process and will provide additional, state-specific information to increase transparency in bidding.

According to an economic impact study prepared by the Public Utilities Staff, operations and maintenance expenses in 2016 of the five major electric and gas utilities was approximately \$810 million. This does not include the hundreds of millions of dollars spent on construction projects. In 2016 only approximately 30% of these contracts went to Mississippi companies, while out-of-state businesses enjoyed a whopping 70% of contracts issued.

“I am sick and tired of seeing out of state vehicles on construction sites in my Mississippi when I know that Mississippians are footing the bill for those projects. I have zero doubt that MISSISSIPPI companies could be doing that at least some of that work if they were given the chance,” Chairman Brandon Presley said.



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“My goal is to tear down the glass wall surrounding these multi-million dollar contracts and give Mississippi-based companies the chance at that work. It’s past time to put Mississippi first!”

Central District Commissioner Cecil Brown added, “For Mississippi’s economy to grow, we need our young people to stay in the state and work. With this new rule, our hope is that more Mississippians will have an opportunity to earn a living in any corner of the state.”

Hire Mississippi will go into effect 30 days after it is filed with the office of the Secretary of State. The Commission will annually review compliance with all aspects of the Hire Mississippi Rule.



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