

SUMMARY OF 2019
ICC RAILROAD SUPPLIER DIVERSITY REPORTS

Norfolk Southern Railway Company

SUPPLIERS

YEAR	\$ TOTAL DIVERSE SPEND and (+/-) % CHANGE FROM PREVIOUS YEAR	MBE	WBE	VBE	Small Business*
2019	\$124,215,437.04	\$22,352,571.08	\$90,973,155.91	\$1,538,381.10	\$9,327,873.40
2018	\$167,567,930.95	\$23,089,261.25	\$127,243,580.08	\$5,784,211.40	\$11,350,128.42

	HUBZone	SDB/8A	
2019	0	\$23,455.55	-34.90%
2018	\$840.00	\$99,909.80	25.72%

* How many of the small businesses are certified? All suppliers are certified. Note, we except all local/regional certifications (including but not limited to local Chamber of Commerce, NMSDC, etc.) Low to no cost solutions for certification of diverse vendors is a priorit for NS.

YEAR	# OF DIVERSE SUPPLIERS	MBE	WBE	VBE	Small Business*
2019	248	47	133	2	63
2018	255	45	142	2	64

	HUBZone	SDB/8A	
2019	0	3	-2.82%
2018	1	2	-7.06%

YEAR	# of NEWLY CONTRACTED DIVERSE SUPPLIERS	% CHANGE OVER PRIOR YEAR	SPEND	% CHANGE OVER PRIOR YEAR	# HEADQUARTERED Outside of ILLINOIS	# HEADQUARTERED IN ILLINOIS
2019	18	-44.44%	\$7,523,425.74	45.17%	18	0
2018	26	15.38%	\$4,125,190.53	80.43%	24	2

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PROFESSIONAL SERVICES

YEAR	\$ TOTAL DIVERSE SPEND and (+/-) % CHANGE FROM PREVIOUS YEAR	MBE	WBE	VBE	Small Business*
2019	\$ 82,114,873.97	\$12,185,072.32	\$64,658,920.07	\$391,450.27	\$4,879,431.31
2018	\$114,302,317.19	\$10,840,728.49	\$99,944,178.96	\$221,836.52	\$3,295,573.22

	HUBZone	SDB/8A	
2019	0	0	-39%
2018	0	0	31%

* How many, out of all diverse vendors/companies, are headquartered in Illinois? 2019 - 25/248

Spend Areas (Industry):

Supplier Diversity Spend is tracked at the prime contractor level.

We do not track spend by state because (1) many of our agreements are at a national level to ensure consistency in safety, quality, most competitive pricing, etc., (2) suppliers can be headquartered in a different state than where the services are provided, and (3) suppliers can be paid at an address other than their headquarters or the state the work was completed.

Prime Diverse Spend – Payments to a diverse-owned supplier that provides material and services directly to NS.

The range of materials and services purchased from diverse-owned suppliers include, but are not limited to: construction services, information technology services, office supplies provider, intermodal operational services, office remodeling services, furniture and office furnishings, track maintenance services, freight shipping services, locomotive material supplier, staff augmentation, tie pick up and disposal services, oil distribution, engineering design services, advertising services, track grinding services and records scanning services.

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SUPPLIERS & PROFESSIONAL SERVICES

2019 Highlights	<ul style="list-style-type: none"> • CREATE EW2 contract award Summer 2019. See Attachment I.
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Norfolk Southern Railway Company

Large Capital Projects	<ul style="list-style-type: none"> • • •
Supplier Diversity Goals	<ul style="list-style-type: none"> • Continue to actively participate in future Illinois Supplier Diversity Activities
Professional Services Goals	<ul style="list-style-type: none"> • • •
Unique Initiatives – 2019 & 2020	<ul style="list-style-type: none"> • In May 2019, NS advertised a request for qualifications for a Lead Engineering Team. The scope of work included Program Management and Track Design for NS’s part of CREATE Project EW2. This project is an important part of long-term plans to reduce train delays and address passenger and freight congestion on converging railroad lines in Chicago. • A 25% DBE participation goal was established for the Lead Engineering Team. To encourage interested DBE firms to participate in the formation of prospective teams, NS hosted a public meeting and networking session. The team that was selected in August 2019 included eight DBE firms. The structure of the team includes a mentor-protégé program for three of the DBE firms that will perform design work for this project. • Additional opportunities for DBE participation in the design of this project will become available in the near future as bridge design work is advertised.
2020: Areas of Procurement Plans	<ul style="list-style-type: none"> • • •

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Terms & Definitions:

Small Business – an independently owned and operated company that is limited in size and in revenue depending on the industry. Certified via, city, county, state, third party.

Minority Owned Business (MBE) – it is at least 51% owned by such individuals or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more such individuals i.e. the management and daily operations are controlled by those minority group members.

Women Owned Business (WBE) - is at least 51% owned, operated and controlled on a daily basis, and long-term decisions are made by one or more female American citizens. WBEs are typically certified by a third-party, city, state or federal agency.

Veteran Owned Business (VBE) – generally non-industry specific, but requires that the company is at least 51% owned, operated, and controlled by a veteran.

SBD/8A – Small Disadvantaged Business (SDB) that is at least 51% owned by one or more individuals who are socially and economically disadvantaged individuals who are U.S. citizens.

HUBZone – Small Business Administration (SBA) program for small companies that operate and employ people in Historically Under-utilized Business Zones; at least 51% controlled by U.S. citizens

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ATTACHMENT I: CREATE Project EW2

Norfolk Southern Selects Lead Engineering Team for 75th Street Corridor Improvement Project

August 12, 2019 - The CREATE partners are pleased to announce that Norfolk Southern has selected [Alfred Benesch & Co.](#) and [TranSystems](#) to provide program management and track design services for a portion of CREATE Project EW2 (Belt Junction and 80th Street Junction Replacements). This is one of the four projects that comprise the [75th Street Corridor Improvement Project](#) (75th St. CIP).

This freight rail project is an important part of long-term plans to reduce train delays and address passenger and freight congestion on converging railroad lines in Chicago.

“Norfolk Southern looks forward to starting the design work associated with this important CREATE project supported by the team of Alfred Benesch & Company and TranSystems. Both firms have extensive experience designing complex rail projects, and are fully committed to robust community engagement throughout the final design engineering process. We are confident this arrangement will position the CREATE partners to deliver a project that provides lasting benefits to the surrounding community, the Chicago region and North America’s rail network,” said Dave Becker, Chief Engineer, Design and Construction, Norfolk Southern.

The CREATE partners' commitment to creating economic opportunities in the surrounding neighborhoods is reflected in both the Disadvantaged Business Enterprise (DBE) participation goal (25%) for this work, as well as the number and size of project elements in the Request for Proposals (RFP). The Benesch/TranSystems team includes eight DBE firms.

1. 2iM Group, LLC – Track design, drainage design
2. American Surveying & Engineering Inc. - Surveying services
3. Ardmore Roderick – Track design, utilities, public outreach
4. Cera Solutions and Applications, LLC – Program QA management, document control
5. GSG Consultants, Inc. – Geotechnical engineering
6. SE3, LLC – Structural design, structural review
7. Synnov Group, Inc. – Program management, scheduling, cost estimating
8. Trinal, Inc. – Community engagement, career development

Alfred Benesch & Company and TranSystems pledge to create a mentor-protégé program for three of the DBE firms that will perform design work for this project. This arrangement will include close guidance and assistance to develop railroad design expertise. This mentor-protégé program goes beyond including DBEs in the contract to foster a wider talent pool of more experienced DBE firms to perform railroad bridge and track design work on future projects.

The final design of Project EW2 is anticipated to begin later this year.

There will be additional opportunities for bridge design engineering on Project EW2 and design, engineering, construction and supplier opportunities on the 75th St. CIP. DBE firms are encouraged to [register through the CREATE website](#) for email invitations to respond to professional services bid opportunities for contracted work. All CREATE Program partner procurements will be sent through the CREATE procurement notification email. Notifications are also made through newspapers.

To learn more about the 75th St. CIP, go to www.75thcip.org.

To follow the CREATE Program, go to www.createprogram.org.