



Quality. Service. Value.®

# California Water Service 2017 Annual Report

Women, Minority, Disabled Veteran, and LGBT Business  
Enterprise Procurement Pursuant to CPUC General Order 156  
(U-60-W)

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## Message from the President and Chief Executive Officer of California Water Service

Doing business with diverse suppliers is a priority for California Water Service (Cal Water). Our Supplier Diversity Program expands our pool of qualified bidders and enables us to procure the highest quality goods and services at the lowest prices. That's important because it helps us deliver on our promise to provide quality, service, and value to the customers and communities we serve.

We made great strides in our Supplier Diversity Program in 2017, including:

- Hosting four quarterly workshops on technical-assistance and capacity-building in partnership with the Minority Business Development Agency (MBDA) and City National Bank, to address the barriers for development of diverse suppliers
- More than doubling our spend with certified African-American suppliers, from \$193,000 in 2016 to \$457,000 in 2017; increasing business with qualified LGBT vendors five-fold, from \$23,000 in 2016 to \$119,000 in 2017; and tripling our spend with disabled veteran businesses, from \$2 million in 2016 to \$6.6 million in 2017
- Being named Supplier Diversity Champion of the Year by Asian, Inc. and receiving the Distinguished Supplier Diversity Award from the Minority Business Development Agency.



These accomplishments offset the fact that our overall spend was negatively impacted by the bankruptcy of Beebe Diversified, one of our diverse prime contractors, which has caused a rippling effect through our procurement process. This caused us to fall short of the CPUC goal of 21.5% for the first time in years, and we are redoubling our efforts to bring on more diverse suppliers as master contractors.

This report provides more details about our Supplier Diversity Program, including our 2017 accomplishments, challenges, and partners. We are already working to grow our Supplier Diversity Program in 2018 as we continue to fulfill our purpose of improving the quality of life in the communities we serve.

A handwritten signature in black ink that reads "Martin A. Kropelnicki". The signature is written in a cursive, flowing style.

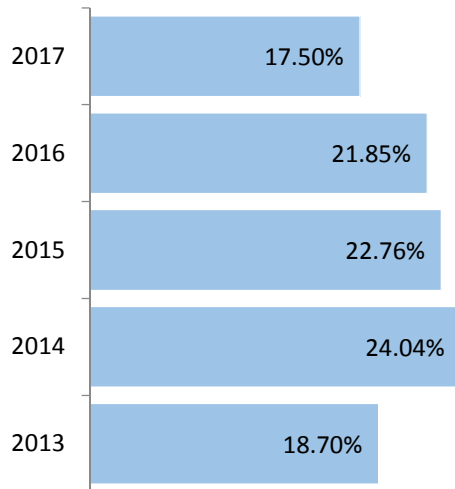
Martin A. Kropelnicki

## SUMMARY OF 2017 SUPPLIER DIVERSITY PROGRAM

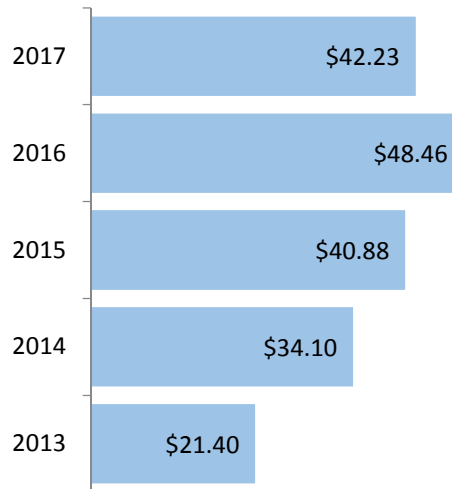
This report outlines the progress of California Water Service (Cal Water) in procuring goods and services from woman-(WBE), minority-(MBE), disabled veteran-(DVBE), lesbian-, gay-, bisexual-, and transgender-(LGBTBE) owned business enterprises (to which we refer collectively as diverse suppliers) for the period of January 1, 2017, through December 31, 2017.

In 2017, Cal Water’s discretionary spending totaled \$241,304,395.54, of which the company spent \$42.23M, or 17.50%, with diverse suppliers.

**Diverse Supplier Spending %**  
*Percentage of Net Procurement*

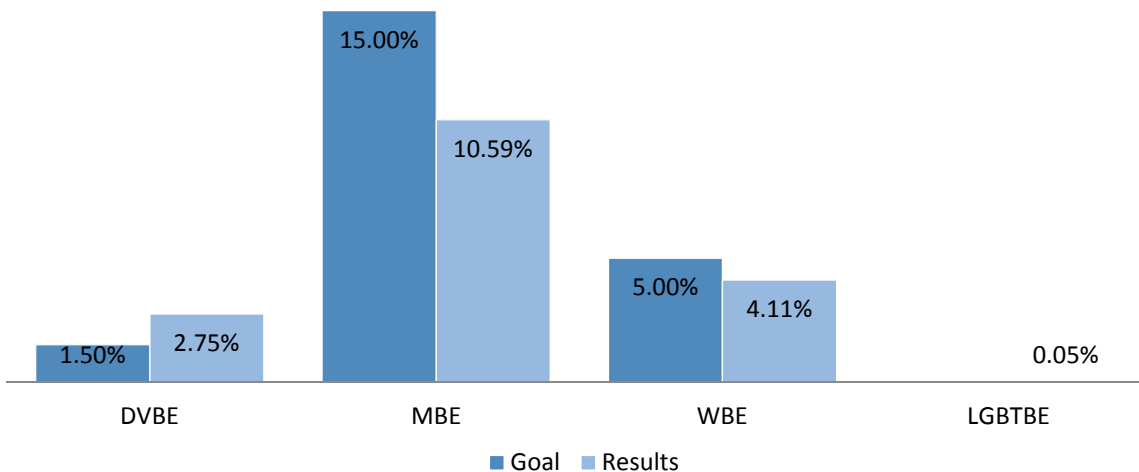


**Diverse Supplier Spending \$**  
*Dollars Expressed in Millions*



Our results per category are:

### Results per Category



### 9.1.1 Description of WMDVLGBTBE Program Activities

In terms of supplier diversity, 2017 proved a challenging and rewarding year for California Water Service.

We continue managing the impact of losing a diverse supplier as our master contractor with large spending, while building on our 2016 success stories with added participation from Anvil Builders, Inc. (DVBE), Trident Construction Services (DVBE), and Resource Design Interiors (WBE). At the same time, we are incorporating new suppliers to our supply chain with unique skills to our operations.

#### Internal Program Activities

##### *Procurement Policy and Supplier Development*

Supplier diversity is a way of doing business at Cal Water. We support the program through our procurement policy, which requires the inclusion of diverse supplier(s) in every competitive sourcing event. The effectiveness of the policy is demonstrated through many successful stories of diverse supplier development.

**Utility Consulting Group's (WBE #7LN00003)** extensive experience in water's regulatory environment has proven critical to our operations. Their expertise was sought to improve our operations in aggregating data and the elimination of human error in several calculations.



**EagleLift's (DVBE #20180)** proprietary approach solves foundation lifting through polyurethane injection technology.

This solution helped remediate the differential ground settling due to soil subsidence below a pump-house foundation in the Central Valley. This effectively ensures water supply to our communities by bringing our facility online.

**Power Services Inc. (WBE #14090105)** is a supplier with specialized skills critical to our daily operations. In 2017, they tested more than 500 water pumps for efficiency and/or vibration in 17 operational districts.



This partnership dates back to 2004 and underscores diverse suppliers' fundamental contributions to our operations.



**Roebbelen Contracting, Inc. (DVBE #1012610)** continues making in-roads in our supply chain. This relationship started in 2015 with a peer review agreement for a new building in the Bay Area. Their quality of work earned them a second contract for construction management of the same project, and in 2017 they were awarded a third construction management agreement. We're satisfied with the results and we'll continue providing opportunities to expand their contributions.

Building on our 2016 success, **Trident Construction Services (DVBE #1803096)** remains a critical partner for Cal Water's operations.



*Trident Construction Services*

The scope of their projects has broadened from underground pipelines and building pressure tanks to installing generators and panelboards. They have effectively expanded their operations from our Capital Delivery- to our Electrical Engineering-Group. This is a testament to our engineering team's efforts to further incorporate diverse suppliers into our supply chain.

Similarly, **Anvil Builders, Inc. (DVBE #11030010)** continues expanding operations within Cal Water.



*Anvil Builders, Inc.*

In 2017, they initiated their first project in San Joaquin County, effectively increasing their footprint. This is part of our development efforts to increase suppliers' capabilities, enabling them to further compete in our projects.

#### *Department Support*

In 2017 many internal departments made significant contributions to support the program.

An example of support to diverse suppliers is our Environmental Affairs Group, where they engage 75% of diverse suppliers for all their projects safeguarding California's environment. These vendors perform critical hazardous-waste tasks, such as disposal and transportation. It's a testament to diverse suppliers' capabilities that they manage critical projects for our operations.

Also see Department Spotlights at later part of the report for more stories on department support.

### *Internal Communications*

In 2017, we started updating our internal vendor search tool, which includes all the diverse supplier data from CPUC Clearinghouse. We're confident that this will make our current diverse suppliers more visible to different areas of our operations.

We've continued providing updates to our executive team throughout the year on our current performance, as well as featuring success stories to highlight the contributions diverse suppliers bring to our operations.

Additionally, we conducted Supplier Diversity training to our northern CA region as many associates are new to our organization. During this forum we highlighted the contributions diverse suppliers continuously provide to our organization; from uniforms to our mobile workforce app.

As part of our continuous improvement efforts, we've further standardized our data queries on diverse supplier spending, allowing us to retrieve the required data faster and consistently.

Furthermore, in 2017 we informed more than 150 of our purchase cardholders about the diverse suppliers they have used in the year. This added visibility helps our associates further engage those suppliers in our projects.

### *External Program Activities*

#### *Technical Assistance and Capacity-Building*

We continue working to get our eligible diverse suppliers certified with Supplier Clearinghouse. These firms provide diverse services, from mailing services to IT development. Their background and skillsets mirror the wealth of contributions they make to our supply chain.

In 2017, through the California Water Association (CWA), we established a partnership with the San Jose-, Fresno-, and Los Angeles-Minority Business Development Agency (MBDA), to host a series of quarterly workshops across the state.



Our first workshop in Sacramento had 74 RSVPs and included discussions on doing business with the water utilities, bonding, and access to capital in the form of state- and federal-guaranteed loans. We featured speakers from the Small Business Administration, Suhr Risk Services, and the California Capital Financial Development Corporation.

The second workshop in Los Angeles had 90 RSVPs and featured discussions on doing business with the water utilities, bonding 101/SBA Program, and access to capital in the form of an SBA-moderated panel discussion, with lending officers from Boston Private Bank and Trust, Bank of America, and Pacific Western Bank. This innovative approach allowed suppliers to get perspectives from small, medium, and large lending entities. We applaud MBDA's Siew Yee Lee for her creativity in addressing a well-known topic.



CWA-MBDA Los Angeles Workshop

We hosted our third workshop in San Jose, partnering with PG&E and the Santa Clara Valley Transportation Authority. The focus was on Effective Marketing to Public Utilities, and we brought two experts from the community to give their perspectives to diverse suppliers. Shirley Tan, from The Systems Coach, spoke about identifying your ideal customer prior to crafting your

marketing message and website. Teri Williams, from Regional Monterey Bay Procurement Technical Assistance Center, discussed best practices for writing capabilities statements. We concluded the event with a panel discussion moderated by Hien Tran from **Anvil Builders, Inc. (DVBE #11030010)**. With 119 RSVPs, the event proved a success.

For our final workshop in San Diego, we partnered with a Google Digital Coach to discuss digital marketing strategies. Suppliers had the opportunity to ask questions at a final panel on doing business with the Utilities. The panel was moderated by Aestocia Ramirez from **Lyden Electric (WMBE #14090099)**, with the participation of San Gabriel Valley Water, Cal American Water, Metropolitan Water District of Southern California, and San Diego County Water Authority. We had 110 RSVPs for the event.

With an added focus on access to capital, we established a relationship with Higher Growth Strategies, LLC and City National Bank (CNB) to host two workshops, solely focused on alternative loan vehicles.



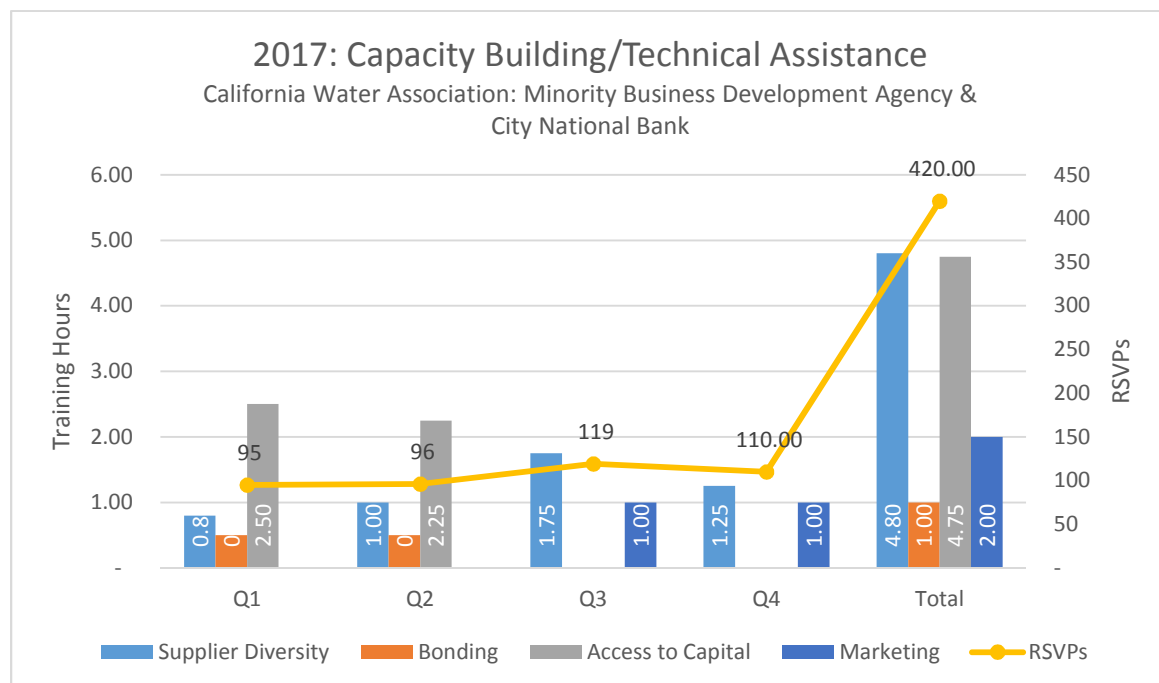
Our Los Angeles workshop featured a CNB Community Reinvestment Officer, discussing how to establish a bank relationship and identify capital needs, sources, and criteria.

In San Francisco, our second workshop hosted a CNB Community Development Officer, who addressed alternative capital sources to banks, such as credit unions and community-based lending entities.



CWA-CN Bank Workshop

To summarize, in 2017 more than 12 training hours in Supplier Diversity, Bonding, Access to Capital, and Marketing were accessible by diverse suppliers and communities as part of the California Water Association’s Capacity Building and Technical Assistance Program.





## Community Partner Spotlight: San Jose MBDA Business Center



San Jose Minority Business Development Agency (MBDA) Business Center is a federally funded program by The U.S. Department of Commerce’s Minority Business Development Agency, and operated by ASIAN, Inc. of San Francisco.

The San Jose MBDA Business Center is an entrepreneurially focused program, whose primary objective is to assist the integration and participation of the minority-owned business community in the nation’s economic growth. Understanding that this is a task that requires synergies beyond the efforts of a single organization, they have established a private/public, multi-industry-sector network of buyers, suppliers, and service providers that results in a holistic, value-added business service to partners and clients.

Services include identification of export markets, facilitation of global transactions, international trade missions, market analysis, and overseas market promotion assistance.

Through a partnership with the California Water Association (CWA), San Jose MBDA Business Center planned and produced four workshops across the state. These sessions became integral to CWA’s Technical Assistance and Capacity-Building program, with topics like access to capital, bonding, and marketing to the utilities.

*External Outreach*

Outreach continues to play an integral role on our program as an outlet to communicate our opportunities.

## Jan

- CWA Board Meeting; San Francisco
- ICSBD Monthly Luncheon; Santa Clara
- Monthly Elite DVBE Meeting; San Jose
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Monthly Mixer; San Jose
- Rainbow Chamber Retreat; San Jose
- Rainbow Chamber/NGLCC Meeting; San Jose
- SV Next Co-Chair Meet; San Jose
- SV Next Monthly Mixer; San Jose
- USDP Monthly Meeting; Anaheim

## Feb

- CA Black Chamber of Commerce Capitol Policy Luncheon; Sacramento
- Chamber Training Institute; San Jose
- Monthly Elite DVBE Meeting; San Jose
- NGLCC National Call; WebEx
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Monthly Mixer; San Jose
- SV Next Co-Chair Meet; San Jose
- USDP Monthly Meeting; Sacramento

## Mar

- CHCC Annual Economic Summit; Los Angeles
- CWA Board Meeting; Sacramento
- DVBA SoCal Construction Expo; Camp Pendleton
- Joint Utilities Quarterly Meeting; Covina
- MBDA & CWA Capacity Building Workshop; Sacramento
- Monthly Elite DVBE Meeting; San Jose
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber New Member Luncheon; San Jose
- SCMSDC Minority Business Opportunity Day; City of Industry
- SV Next Monthly Mixer; San Jose
- USDP Monthly Meeting; Sacramento
- Women Veterans Alliance Unconference; Sacramento

## Apr

- Annual 8(a) and Small Business Conference; Santa Ana
- Asian American Contractors Association Annual Gala; San Francisco
- Combo Chamber Mixer; San Jose
- DVBA Keeping the Promise; Las Vegas, NV
- Greenlining Economic Summit; Oakland
- ICSBD Monthly Luncheon; San Jose
- Monthly USDP Meeting; Oakland
- Public Works and Purchasing Showcase 2017; Stockton
- Rainbow Chamber Board Meeting; Campbell

## May

- 3rd Annual MBDA/PG&E Procurement Event; Fresno
- Astra Best Practices Supplier Diversity Summit; San Ramon
- Connect 2 Vet; Los Angeles
- CPUC Small Business Expo; Los Angeles
- CWA Board Meeting; Sacramento
- ICSBD Education Workshop; San Jose
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Connect; Santa Clara
- SV Next Professional Development Seminar; San Jose
- The Joint Asian and Pacific Islander Legislative Caucus, Annual Gala Awards Dinner; Sacramento
- USDP Monthly Meeting; San Diego
- VTA Small Business Forum; San Jose
- WRMSDC Annual Gala; Oakland

## Jun

- CWA Board Meeting; San Francisco
- CWA Meet the Primes; Sacramento
- EBMUD 2nd Annual Contracts Fair; Oakland
- Joint Utilities Quarterly Meeting; Sacramento
- MBDA & CWA Capacity Building Workshop; Los Angeles
- PG&E's Out for Business Workshop; San Francisco
- Rainbow Chamber Board Meeting; Campbell
- WBENC National Conference & Business Fair; Las Vegas

## Jul

- California Construction Expo; Anaheim
- CWA Annual Planning Meeting; Anaheim
- Rainbow Chamber Board Meeting; Campbell
- SV Next Monthly Mixer; San Jose
- SVYP Monthly Mixer; San Jose
- USDP Monthly Meeting; Anaheim

## Aug

- Anvil Builders 7th Anniversary; San Francisco
- CHCC Annual Statewide Convention; Rohnert Park
- City National Bank & CWA Capacity Building Workshop; San Francisco
- CWA Board Meeting; Sacramento
- GGBA, RCCSV Pride Night; San Jose
- Industry Cluster Roundtable; Los Angeles
- NGLCC 2017 International Business & Leadership Conference; Las Vegas
- Rainbow Chamber Board Meeting; Campbell
- Santa Clara Valley Water Business Open House; San Jose
- SV Next Monthly Mixer; San Jose
- SVYP Monthly Mixer; Santa Clara
- USDP Monthly Meeting; San Francisco
- WMRSDC Construction Conference; Richmond

## Sep

- Get Connected; Stockton
- Hispanic Chamber of Commerce Silicon Valley, Monthly Networking Mixer; San Jose
- ICSBD Monthly Luncheon; Santa Clara
- Joint Utilities Quarterly Meeting; Downey
- MBDA & CWA Capacity Building Workshop; San Jose
- Rainbow Chamber Board Meeting; Campbell
- USDP Monthly Meeting; El Monte

## Oct

- ASIAN, Inc 46th Annual Gala; San Francisco
- BAYMEC Annual Event; San Jose
- CPUC Annual Supplier Diversity En Banc; Los Angeles
- CPUC Small Business Expo; Redding
- Elite SDVOB Annual Northern CA Event; San Francisco
- NMSDC National Conference; Detroit, MI
- Rainbow Chamber Board Meeting; Campbell
- USDP Monthly Meeting; Redding

## Nov

- Business Matchmaking; San Jose
- Rainbow Chamber Board Meeting; Campbell
- Salute to Veteran's Day; Richmond
- Santa Clara County & VTA Supplier Diversity Event; San Jose
- Veterans In Business National Conference; Palm Springs

## Dec

- Hispanic Chamber Silicon Valley, Annual Holiday Mixer; San Jose
- Joint Utilities Quarterly Meeting; San Diego
- Rainbow Chamber Board Meeting; Campbell
- SBA - Doing Business With California Water Service; San Francisco
- USDP Monthly Meeting; San Diego

Throughout the year we participated in more than 90 outreach events across the state, supporting both local events with the intent of finding diverse suppliers and national conventions to learn from other organizations and identify upcoming trends and tools in supplier diversity.

To further increase the opportunities for diverse suppliers, we brought 30 of our program champions to outreach events. They represented a multitude of disciplines, from engineering, human resources, and information technology to community affairs.

Additionally, our representatives have been invited to participate as featured speakers. Topics have included best practices in supplier diversity, trends in the water industry, as well as effective tips for suppliers to promote themselves with the utilities.



We've also communicated to community-based organizations specific opportunities to help us identify viable suppliers. We shared the scope of the project and its requirements. Through this practice we've increased the number of diverse suppliers bidding on a project, hence increasing the chances of award.

With an added focus towards the African American community, we participated in a [radio interview](#) at KDOW with Timothy McLaughlin, Manager of Supplier Diversity & Community Involvement - San Jose Water Company and the Silicon Valley Black Chamber of Commerce to discuss our supplier diversity programs, contractual opportunities, certification process, and the impact on our communities.



Chamber President Carl Davis Jr, Jose Espinoza (Cal Water), Timothy McLaughlin (San Jose Water) and producer/co-host Karl Welch

*Community-Based Organizations' Involvement*

Throughout the year we volunteered time and resources to several organizations to provide them with insight on running an effective diverse program, and to improve our program's visibility. Among them: Santa Clara County, American Indian Chamber of Commerce of California, Silicon Valley Organization's SV Next, and the Rainbow Chamber of Commerce Silicon Valley.

### Awards

As part of the California Water Association, in 2017 we were recognized by the Veterans In Business (VIB) Network as a *Plank Owner*, a recognition for our support in the foundation of this DVBE-focused community-based organization.



*VIB Network's Plank Owner*

Additionally, Cal Water's Supplier Diversity program was recognized by ASIAN, Inc., an Asian American-focused community-based organization, for the success in incorporating diverse suppliers to our procurement opportunities, actively participating in outreach events with our project managers, and for hosting capacity-building and technical-assistance workshops across the state, providing a forum to address pressing issues for the diverse supplier community.



10/6/17 Asian Inc's 46th Anniversary Gala Frank Jang

*ASIAN Inc. Supplier Diversity Champion of the Year; San Francisco, CA*

Following our local success, we were awarded the Distinguished Supplier Diversity Award by the Minority Business Development Agency (MBDA) from The U.S. Department of Commerce. This federal award is a nationwide recognition of the effectiveness of our program in advocating for diverse suppliers.

Getting this award was no small feat, as Cal Water's efforts were evaluated against programs from many distinguished companies across the nation. Past recipients of this award include Ford Motor Company in 2016, Toyota Motor Sales in 2015, and BAE Systems in 2014.



*National Minority Enterprise Development Week Award Announcement; Detroit, MI*



*Distinguished Supplier Diversity Award presentation; Washington, D.C.*



*Distinguished Supplier Diversity Award presentation; Washington, D.C.*

#### *Disadvantaged Communities - Senate Bill 535*

Pursuant to the CPUC's data request, we identified the 2016 Tier 1 suppliers based in disadvantaged California communities as defined by the California Environmental Protection Agency ([CalEPA](#)). These communities are disproportionately burdened by multiple sources of pollution.

In 2016, from 163 California-based Tier 1 suppliers, 56 or 34.4% are in disadvantaged communities.

#### *CPUC Audit - 2015 Annual Report*

Finally, Cal Water was selected by the CPUC to be the first regulated water utility to be audited under General Order 156.

While confident in our operations, this effort took a lot of internal resources and also affected our prime contractors. We submitted upwards of 1,100 documents related to our Tier 1 (purchase orders/purchase cards) and Tier 2 (subcontractor) transactions. Documents such as procurement and accounting policies, invoices, payment records, and copies of certificates. The endeavor took more than 280 hours of labor.

It provided an opportunity to showcase our type of work and the accuracy of our reporting. We're proud of the compliance, in all material aspects, result and look to the continued success of our program.

### **General Order 156 Reporting Compliance California Water Service Company For the 2015 Supplier Diversity Report filed March 1, 2016**

#### **I. EXECUTIVE SUMMARY<sup>1</sup>**

This report presents the results of an examination conducted by the Utility Audit, Finance, and Compliance Branch (UAFCB). The purpose of the examination was to determine whether California Water Service Company (Cal Water) complied with the reporting requirements of General Order (GO) 156 when reporting its diverse procurement for the year ended December 31, 2015. UAFCB conducted the examination pursuant to Decision (D.) 11-05-019 and GO 156.<sup>2</sup>

UAFCB's examination revealed that Cal Water complied, in all material respects, with the reporting requirements of GO 156.

#### **II. RECOMMENDATIONS**

There are no recommendations. Cal Water complied in all material respect with the GO 156 reporting requirements.

## 9.1.2 WMDVLGBTBE Annual Results by Ethnicity

			2017			
			Direct	Sub	Total \$	%
1	<b>Minority Male</b>	Asian Pacific American	\$ 3,944,064.04	\$ 299,477.32	\$ 4,243,541.36	1.76%
2		African American	\$ 164,891.88	\$ 266,931.05	\$ 431,822.93	0.18%
3		Hispanic American	\$ 11,910,130.58	\$ 5,743,531.47	\$ 17,653,662.05	7.32%
4		Native American	\$ 531,739.51	\$ 104,165.95	\$ 635,905.46	0.26%
5		Total Minority Male	\$ 16,550,826.01	\$ 6,414,105.79	\$ 22,964,931.80	9.52%
6	<b>Minority Female</b>	Asian Pacific American	\$ 1,405,991.88	\$ -	\$ 1,405,991.88	0.58%
7		African American	\$ 26,588.85	\$ -	\$ 26,588.85	0.01%
8		Hispanic American	\$ 1,005,574.01	\$ 156,357.64	\$ 1,161,931.65	0.48%
9		Native American	\$ -	\$ -	\$ -	0.00%
10		Total Minority Female	\$ 2,438,154.74	\$ 156,357.64	\$ 2,594,512.38	1.08%
11	Total Minority Business Enterprise (MBE)		\$ 18,988,980.75	\$ 6,570,463.43	\$ 25,559,444.18	10.59%
12	Women Business Enterprise (WBE)		\$ 4,533,271.66	\$ 5,390,227.20	\$ 9,923,498.86	4.11%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$ 119,449.98	\$ -	\$ 119,449.98	0.05%
14	Disabled Veteran Business Enterprise (DVBE)		\$ 5,247,677.60	\$ 1,387,070.49	\$ 6,634,748.09	2.75%
15	Other 8(a)		\$ -	\$ -	\$ -	0.00%
16	<b>Total WMDVLGBTBE</b>		<b>\$ 28,889,379.99</b>	<b>\$ 13,347,761.12</b>	<b>\$ 42,237,141.11</b>	<b>17.50%</b>
17	<b>Net Procurement</b>		<b>\$ 241,304,395.54</b>			

## 9.1.2 WMDVLGBTBE Direct Procurement by Product and Service Categories

				Products		Services		Total	
				\$	%	\$	%	\$	%
1	<b>Minority Male</b>	Asian Pacific American	Direct	\$ 1,673,974.79	0.69%	\$ 2,270,089.25	0.94%	\$ 3,944,064.04	1.63%
2		African American	Direct	\$ 164.35	0.00%	\$ 164,727.53	0.07%	\$ 164,891.88	0.07%
3		Hispanic American	Direct	\$ 477,757.64	0.20%	\$ 11,432,372.94	4.74%	\$ 11,910,130.58	4.94%
4		Native American	Direct	\$ 132,127.98	0.05%	\$ 399,611.53	0.17%	\$ 531,739.51	0.22%
5		Total Minority Male	Direct	\$ 2,284,024.76	0.95%	\$ 14,266,801.25	5.91%	\$ 16,550,826.01	6.86%
6	<b>Minority Female</b>	Asian Pacific American	Direct	\$ 670,435.59	0.28%	\$ 735,556.29	0.30%	\$ 1,405,991.88	0.58%
7		African American	Direct	\$ 18,348.36	0.01%	\$ 8,240.49	0.00%	\$ 26,588.85	0.01%
8		Hispanic American	Direct	\$ 364,780.72	0.15%	\$ 640,793.29	0.27%	\$ 1,005,574.01	0.42%
9		Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Direct	\$ 1,053,564.67	0.44%	\$ 1,384,590.07	0.57%	\$ 2,438,154.74	1.01%
11	Total Minority Business Enterprise (MBE)		Direct	\$ 3,337,589.43	1.38%	\$ 15,651,391.32	6.49%	\$ 18,988,980.75	7.87%
12	Women Business Enterprise (WBE)		Direct	\$ 1,322,997.65	0.55%	\$ 3,210,274.01	1.33%	\$ 4,533,271.66	1.88%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$ -	0.00%	\$ 119,449.98	0.05%	\$ 119,449.98	0.05%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$ 120,073.93	0.05%	\$ 5,127,603.67	2.12%	\$ 5,247,677.60	2.17%
15	Other 8(a)		Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	<b>Total WMDVLGBTBE</b>		<b>Direct</b>	<b>\$ 4,780,661.01</b>	<b>1.98%</b>	<b>\$ 24,108,718.98</b>	<b>9.99%</b>	<b>\$ 28,889,379.99</b>	<b>11.97%</b>



17	<b>Total Product Procurement</b>	\$ 55,580,628.83
18	<b>Total Service Procurement</b>	\$ 185,723,766.71

19	<b>Net Procurement</b>	\$ 241,304,395.54
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20	<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>	164
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## 9.1.2 WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

				Products		Services		Total	
				\$	%	\$	%	\$	%
1	<b>Minority Male</b>	Asian Pacific American	Sub	\$ 818.86	0.00%	\$ 298,658.46	0.12%	\$ 299,477.32	0.12%
2		African American	Sub	\$ -	0.00%	\$ 266,931.05	0.11%	\$ 266,931.05	0.11%
3		Hispanic American	Sub	\$ 191,449.10	0.08%	\$ 5,552,082.37	2.30%	\$ 5,743,531.47	2.38%
4		Native American	Sub	\$ 104,165.95	0.04%	\$ -	0.00%	\$ 104,165.95	0.04%
5		Total Minority Male	Sub	\$ 296,433.91	0.12%	\$ 6,117,671.88	2.54%	\$ 6,414,105.79	2.66%
6	<b>Minority Female</b>	Asian Pacific American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
7		African American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
8		Hispanic American	Sub	\$ 102,841.87	0.04%	\$ 53,515.77	0.02%	\$ 156,357.64	0.06%
9		Native American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Sub	\$ 102,841.87	0.04%	\$ 53,515.77	0.02%	\$ 156,357.64	0.06%
11	Total Minority Business Enterprise (MBE)		Sub	\$ 399,275.78	0.17%	\$ 6,171,187.65	2.56%	\$ 6,570,463.43	2.72%
12	Women Business Enterprise (WBE)		Sub	\$ 1,436,117.95	0.60%	\$ 3,954,109.25	1.64%	\$ 5,390,227.20	2.23%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$ 1,370,568.26	0.57%	\$ 16,502.23	0.01%	\$ 1,387,070.49	0.57%
15	Other 8(a)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	<b>Total WMDVLGBTBE</b>		<b>Sub</b>	<b>\$ 3,205,961.99</b>	<b>1.33%</b>	<b>\$ 10,141,799.13</b>	<b>4.20%</b>	<b>\$ 13,347,761.12</b>	<b>5.53%</b>
17	<b>Total Product Procurement</b>			\$ 55,580,628.83					

18	<b>Total Service Procurement</b>	\$ 185,723,766.71
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19	<b>Net Procurement</b>	\$ 241,304,395.54
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9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
07: AGRICULTURAL SERVICES	\$	26,470.00	-	-	262,266.39	8,550.00	-	-	297,286.39	-	-	-	-	297,286.39	1,674,490.05
	%	0.01%			0.11%	0.00%			0.12%					0.12%	0.69%
14: NONMETALLIC MINERALS, EXCEPT FUELS	\$	-	-	-	-	37,460.45	-	-	37,460.45	3,542.50	-	-	-	41,002.95	1,282,377.59
	%					0.02%			0.02%	0.00%				0.02%	0.53%
15: GENERAL BUILDING CONTRACTORS	\$	32,072.00	-	-	187.00	136,090.52	-	-	168,349.52	51,614.70	-	59,902.38	-	279,866.60	9,261,053.37
	%	0.01%			0.00%	0.06%			0.07%	0.02%		0.02%		0.12%	3.84%
16: HEAVY CONSTRUCTION, EXCEPT BUILDING	\$	-	-	-	12,228,513.71	89,290.05	-	-	12,317,803.76	243,394.00	-	4,153,924.74	-	16,715,122.50	94,521,057.75
	%				5.07%	0.04%			5.10%	0.10%		1.72%		6.93%	39.17%
17: SPECIAL TRADE CONTRACTORS	\$	297,128.32	18,269.93	266,931.05	-	3,680,232.46	216,043.88	11,686.56	4,490,292.20	1,035,578.49	-	549,862.99	-	6,075,733.68	20,555,926.38
	%	0.12%	0.01%	0.11%		1.53%	0.09%	0.00%	1.86%	0.43%		0.23%		2.52%	8.52%
22: TEXTILE MILL PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	4,371.20
	%														0.00%
23: APPAREL AND OTHER TEXTILE PRODUCTS	\$	-	-	-	17,946.64	-	75,563.20	-	93,509.84	46,780.37	-	-	-	140,290.21	239,768.34
	%				0.01%		0.03%		0.04%	0.02%				0.06%	0.10%
27: PRINTING AND PUBLISHING	\$	1,700.66	-	391.98	-	16,684.97	3,375.21	8,616.15	30,768.97	38,705.00	-	-	-	69,473.97	669,225.57
	%	0.00%		0.00%		0.01%	0.00%	0.00%	0.01%	0.02%				0.03%	0.28%
28: CHEMICALS AND ALLIED PRODUCTS	\$	-	-	-	-	-	-	-	-	17,085.57	-	110,026.73	-	127,112.30	7,292,031.44
	%									0.01%		0.05%		0.05%	3.02%
30: RUBBER AND MISC. PLASTICS PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046.10
	%														0.00%
32: STONE, CLAY, AND GLASS PRODUCTS	\$	-	-	-	-	267.35	76,845.19	-	77,112.54	-	-	-	-	77,112.54	412,412.01
	%					0.00%	0.03%		0.03%					0.03%	0.17%
33: PRIMARY METAL INDUSTRIES	\$	-	-	-	-	-	-	-	-	46,564.04	-	-	-	46,564.04	98,908.96
	%									0.02%				0.02%	0.04%
34: FABRICATED METAL PRODUCTS	\$	-	-	-	-	222,619.00	-	-	222,619.00	-	-	1,323,318.26	-	1,545,937.26	16,902,099.85
	%					0.09%			0.09%			0.55%		0.64%	7.00%
35: INDUSTRIAL MACHINERY AND EQUIPMENT	\$	-	-	-	-	-	-	-	-	524,956.36	-	-	-	524,956.36	4,594,583.61
	%														

SIC Category		Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE	Total Dollars
		Male	Female	Male	Female	Male	Female	Male	Female							
	%										0.22%				0.22%	1.90%
36: ELECTRONIC & OTHER ELECTRIC EQUIPMENT	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	844,517.77
	%															0.35%
37: TRANSPORTATION EQUIPMENT	\$	9,363.00	-	-	-	-	-	118,570.00	-	127,933.00	-	-	-	-	127,933.00	634,703.04
	%	0.00%						0.05%		0.05%					0.05%	0.26%
38: INSTRUMENTS AND RELATED PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,380,605.50
	%															1.40%
39: MISC. MANUFACTURING INDUSTRIES	\$	818.86	-	-	-	-	-	-	-	818.86	1,234.00	-	10,000.00	-	12,052.86	14,371.06
	%	0.00%								0.00%	0.00%		0.00%		0.00%	0.01%
41: LOCAL AND INTERURBAN PASSENGER TRANSIT	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	925.00
	%															0.00%
42: TRUCKING AND WAREHOUSING	\$	2,100.00	-	-	8,097.15	425,761.22	-	-	-	435,958.37	2,378,642.77	-	-	-	2,814,601.14	2,963,489.79
	%	0.00%			0.00%	0.18%				0.18%	0.99%				1.17%	1.23%
45: TRANSPORTATION BY AIR	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	544.56
	%															0.00%
47: TRANSPORTATION SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,028.61
	%															0.00%
48: COMMUNICATION	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175,205.05
	%															0.07%
49: ELECTRIC, GAS, AND SANITARY SERVICES	\$	-	-	-	-	-	21,390.63	-	-	21,390.63	320,252.70	-	1,040.00	-	342,683.33	459,207.96
	%						0.01%			0.01%	0.13%		0.00%		0.14%	0.19%
50: WHOLESALE TRADE - DURABLE GOODS	\$	46,658.36	666,169.11	-	257.62	314,942.72	17,516.98	108,521.19	-	1,154,065.98	1,764,173.21	-	47,297.20	-	2,965,536.39	9,246,845.97
	%	0.02%	0.28%		0.00%	0.13%	0.01%	0.04%		0.48%	0.73%		0.02%		1.23%	3.83%
51: WHOLESALE TRADE - NONDURABLE GOODS	\$	6,617.77	-	-	144.10	75,870.90	254,281.13	270.00	-	337,183.90	4,157.54	-	-	-	341,341.44	1,437,021.84
	%	0.00%			0.00%	0.03%	0.11%	0.00%		0.14%	0.00%				0.14%	0.60%
52: BUILDING MATERIALS AND HARDWARE	\$	-	-	-	-	-	-	-	-	-	244,903.34	-	-	-	244,903.34	1,329,872.03
	%										0.10%				0.10%	0.55%
53: GENERAL MERCHANDISE STORES	\$	2,925.58	2,225.38	-	-	34,299.20	4,812.28	4,968.58	-	49,231.02	-	-	-	-	49,231.02	226,896.26

SIC Category		Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDV/LGBTBE	Total Dollars
		Male	Female	Male	Female	Male	Female	Male	Female							
	%	0.00%	0.00%			0.01%	0.00%	0.00%		0.02%					0.02%	0.09%
54: FOOD STORES	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	142,907.97
	%															0.06%
55: AUTOMOTIVE DEALERS & SERVICE STATIONS	\$	1,608,410.08	2,041.10	164.35	-	21,078.87	723.36	3,289.95	-	1,635,707.71	1,666.15	-	-		1,637,373.86	6,195,701.93
	%	0.67%	0.00%	0.00%		0.01%	0.00%	0.00%		0.68%	0.00%				0.68%	2.57%
56: APPAREL AND ACCESSORY STORES	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	103,121.02
	%															0.04%
57: FURNITURE AND HOME FURNISHINGS STORES	\$	-	-	-	-	128.70	420.00	-	-	548.70	353.93	-	-		902.63	176,159.43
	%					0.00%	0.00%			0.00%	0.00%				0.00%	0.07%
58: EATING AND DRINKING PLACES	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	604,632.61
	%															0.25%
59: MISCELLANEOUS RETAIL	\$	-	-	-	-	-	-	674.21	-	674.21	103,698.59	-	-		104,372.80	1,019,305.91
	%							0.00%		0.00%	0.04%				0.04%	0.42%
60: DEPOSITORY INSTITUTIONS	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	3,395,723.71
	%															1.41%
62: SECURITY AND COMMODITY BROKERS	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	66,300.08
	%															0.03%
63: INSURANCE CARRIERS	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	54,365.16
	%															0.02%
64: INSURANCE AGENTS, BROKERS, & SERVICE	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	38,530.67
	%															0.02%
65: REAL ESTATE	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	86,627.27
	%															0.04%
72: PERSONAL SERVICES	\$	-	-	-	-	-	-	-	-	-	20,508.80	-	-		20,508.80	207,193.51
	%										0.01%				0.01%	0.09%
73: BUSINESS SERVICES	\$	1,947,392.60	675,378.70	852.00	-	180,846.06	169,986.10	4,535.26	-	2,978,990.72	1,759,245.04	780.70	105,247.09		4,844,263.55	19,428,984.00
	%	0.81%	0.28%	0.00%		0.07%	0.07%	0.00%		1.23%	0.73%	0.00%	0.04%		2.01%	8.05%
75: AUTO REPAIR, SERVICES, AND PARKING	\$	4.29	-	-	-	2,210.64	1,021.86	-	-	3,236.79	4,943.89	-	-		8,180.68	516,990.96

SIC Category		Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE	Total Dollars
		Male	Female	Male	Female	Male	Female	Male	Female							
	%	0.00%				0.00%	0.00%			0.00%	0.00%				0.00%	0.21%
76: MISCELLANEOUS REPAIR SERVICES	\$	-	-	-	-	-	-	-	-	-	3,157.88	-	-		3,157.88	249,364.97
	%										0.00%				0.00%	0.10%
78: MOTION PICTURES	\$	324.73	-	1,055.54	-	12,237.35	1,770.55	1,031.21	-	16,419.38	-	-	-		16,419.38	228,547.84
	%	0.00%		0.00%		0.01%	0.00%	0.00%		0.01%					0.01%	0.09%
79: AMUSEMENT & RECREATION SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	65,164.65
	%															0.03%
80: HEALTH SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	59,524.58
	%															0.02%
81: LEGAL SERVICES	\$	-	22,274.43	-	-	-	-	-	-	22,274.43	-	-	-		22,274.43	401,565.86
	%		0.01%							0.01%					0.01%	0.17%
82: EDUCATIONAL SERVICES	\$	100.87	-	-	-	1,929.04	280.00	-	-	2,309.91	5,625.05	-	-		7,934.96	90,777.64
	%	0.00%				0.00%	0.00%			0.00%	0.00%				0.00%	0.04%
83: SOCIAL SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-	-		-	2,814.64
	%															0.00%
84: MUSEUMS, BOTANICAL, ZOOLOGICAL GARDENS	\$	-	-	-	-	-	-	-	-	-	15,293.88	-	-		15,293.88	16,293.88
	%										0.01%				0.01%	0.01%
87: ENGINEERING & MANAGEMENT SERVICES	\$	255,472.00	18,676.98	162,428.01	-	128,284.77	33,350.00	371,109.89	-	969,321.65	1,212,098.91	118,669.28	274,128.70		2,574,218.54	28,599,838.25
	%	0.11%	0.01%	0.07%		0.05%	0.01%	0.15%		0.40%	0.50%	0.05%	0.11%		1.07%	11.85%
89: SERVICES, (NOT ELSEWHERE CLASSIFIED)	\$	5,982.24	956.25	-	143.34	45,301.70	13,160.26	2,632.46	-	68,176.25	75,322.15	-	-		143,498.40	1,323,372.34
	%	0.00%	0.00%		0.00%	0.02%	0.01%	0.00%		0.03%	0.03%				0.06%	0.55%

TOTAL	\$	4,243,541.36	1,405,991.88	431,822.93	26,588.85	17,653,662.05	1,161,931.65	635,905.46	-	25,559,444.18	9,923,498.86	119,449.98	6,634,748.09		42,237,141.11	241,304,395.54
	%	1.76%	0.58%	0.18%	0.01%	7.32%	0.48%	0.26%		10.59%	4.11%	0.05%	2.75%		17.50%	100.00%

Total Product Procurement	\$ 55,580,628.83
Total Service Procurement	\$ 185,723,766.71
<b>Net Procurement</b>	<b>\$ 241,304,395.54</b>

## 9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

# WMDVLGBTBEs	Data on Number of Suppliers											
	Revenue Reported to CHS						Utility-Specific 2017 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total
Under \$1 million or Unknown	29	27	1	21	-	78	107	80	2	18	-	207
Under \$5 million	26	25	1	-	-	52	3	2	-	3	-	8
Under \$10 million	17	13	-	-	-	30	1	-	-	-	-	1
Above \$10 million	39	17	-	-	-	56	-	-	-	-	-	-
<b>TOTAL</b>	<b>111</b>	<b>82</b>	<b>2</b>	<b>21</b>	<b>-</b>	<b>216</b>	<b>111</b>	<b>82</b>	<b>2</b>	<b>21</b>	<b>-</b>	<b>216</b>

WMDVLGBTBE \$M	Revenue and Payment Data											
	Revenue Reported to CHS						Utility-Specific 2017 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total
Under \$1 million or Unknown	\$8.3	\$12.7	\$6.6	\$.	\$.	\$21.7	\$10.2	\$7.0	\$1.1	\$1.2	\$.	\$18.5
Under \$5 million	\$68.5	\$68.1	\$1.5	\$.	\$.	\$138.1	\$5.6	\$2.9	\$.	\$5.4	\$.	\$14.0
Under \$10 million	\$128.4	\$96.9	\$.	\$.	\$.	\$225.3	\$9.8	\$.	\$.	\$.	\$.	\$9.8
Above \$10 million	\$7,004.3	\$3,691.7	\$.	\$.	\$.	\$10,696.0	\$.	\$.	\$.	\$.	\$.	\$.
<b>TOTAL</b>	<b>\$7,209.5</b>	<b>\$3,869.5</b>	<b>\$2.1</b>	<b>\$.</b>	<b>\$.</b>	<b>\$11,081.1</b>	<b>\$25.6</b>	<b>\$9.9</b>	<b>\$1.1</b>	<b>\$6.6</b>	<b>\$.</b>	<b>\$42.2</b>



### Our Success Stories: Resource Design Interiors (WBE #9IS000590)



In 2016, a routine furniture purchase from one of our Central Valley districts opened doors for **Resource Design Interiors (WBE# 9IS000590)** to compete.

A successful bid, competitive pricing, and great customer service were the formula to become a Cal Water vendor and a furniture supplier for our operations.

We applaud their contributions to Cal Water's Supplier Diversity Program success.

#### 9.1.2 Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

Based on information from the Supplier Clearinghouse, we have identified 204 diverse suppliers for whom California is their main contact location.

## 9.1.3 WMDVLGBTBE Program Expenses

<b>Expense Category</b>	<b>2017</b>
1 Wages	\$ 70,380.41
2 Other Employment Expenses	\$ 22,410.69
3 Program Expenses	\$ 15,365.71
4 Reporting Expenses	
5 Training	
6 Consultants	\$ 5,540.60
7 Other	\$ 13,584.10
<b>TOTAL</b>	<b>\$ 127,281.51</b>

1. Wages: salary and payroll-related costs of permanent and temporary employees working on supplier diversity
2. Other Employment Expenses: office space, travel, and non-wage costs
3. Program Expenses: printing, postage, supplies, outreach, and other costs directly related to the program
4. Reporting Expenses: computer, accounting, and other expenses incurred preparing reports for the CPUC
5. Training: costs related to training employees (internal) and suppliers (external); included in Wages
6. Consultants: Cal Water's portion of CWA USDP consultant fees
7. Other: Cal Water's portion of expenses captured and disbursed by CWA for Class A Companies' USDP and Cal Water's cost for the CPUC Supplier Diversity Clearinghouse

## Department Spotlight: Cal Water's Procurement Department



Our procurement policy is critical to the success of our program, but more important are our associates, whom on a daily basis review our transactions to ensure the inclusion of diverse suppliers. Their efforts entail ensuring vendors are registered in our system, multiple competitive bids are obtained for any purchase as required by procurement policy, and at least one diverse supplier is invited to the bidding event.

At the heart of this team is Rory E., who brings a wealth of experience in Cal Water with more than 20 years of service in different departments. She leads her team in a variety of tasks, for example, ensuring vendor profiles are completed, dealing with compliance issues or dispute with suppliers, applying our procurement policy, and managing continuous improvement initiatives.

Sylvia A., with over 15 years of experience and with exposure to several departments, ensures that our solicitations include diverse suppliers in addition to auditing vendors' insurance certificates ensuring compliance.

Janelle S. started as a temporary worker and in three years, has developed a keen eye for our procurement practices, ensuring that our solicitations include diverse suppliers.

On her second year at Cal Water, Katherine M. has proven to be a critical part of our team, ensuring fulfilled orders are registered in our system.

Tami B., whose four years with Cal Water have seen her in several roles, ensures suppliers acknowledge our orders prior to initiating work.

Our team's day-to-day dedication and due diligence are key to our program, and we count on their talents to continue our success.

#### 9.1.4 Description of Progress in Meeting or Exceeding Set Goals

In 2017 we continued our focus with the African American and LGBT community, and counted with three major achievements.



We're proud that **ICE Safety Solutions (WMBE #8EN00006)** will be providing state-wide safety training for our employees. We're excited to benefit from their expertise and look forward to a long-term partnership.

**The Alexander K. Group (MBE #12120030)** remains a critical partner for our program. Communication is a key component of everything we do at Cal Water. With over 27 years of combined experience in management and training, Karroll has coached many Cal Water associates from Engineering, Corporate Communications, Rates and Procurement to be effective communicators.



We also incorporated **Brier & Thorn (LGBT #11020142)** to pursue risk mitigation for our IT infrastructure. This underscores our readiness to bring suppliers from diverse communities that can create value for our operations.

Furthermore, we're committed to our outreach with the LGBTBE community. We participate in the board of directors of a Bay Area Chamber to further communicate our message and contribute to the community's development.

As we continue working to bring diverse suppliers to our supply chain, we are facing challenges.

In 2017, we continued managing the bankruptcy of our diverse prime contractor, who had a three-year agreement on underground pipeline/repair work. This signifies an approximate loss of more than \$2.2M per year in diverse expenditures.

We continue facing the challenge of firms not wanting to certify because of privacy concerns; many of the products we purchase have proprietary technology and can only be serviced by the manufacturer; and in other instances, diverse firms have been acquired by non-diverse firms. This totals about \$300,000 in expenditures.

There are many geographical areas and industries where we can't find diverse suppliers to compete for our opportunities. Amounting to \$1.1M in expenditures.

Furthermore, some diverse suppliers didn't have their certifications renewed or were denied, leading us to lose both the expenditures as well as successful contractual partnerships. This totals about \$301,000 in expenditures.

9.1.4 WMDVLGBTBE Results and Goals

Category	Results	Goals
Minority Men	9.52%	12.0%
Minority Women	1.08%	3.0%
Minority Business Enterprise (MBE )	10.59%	15.0%
Women Business Enterprise (WBE)	4.11%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.05%	N/A
Disabled Veteran Business Enterprise (DVBE)	2.75%	1.5%
<b>TOTAL WMDVLGBTBE</b>	<b>17.50%</b>	<b>21.5%</b>

We’re proud of our achievements with the African American community, growing their participation from 0.09% in 2016 to 0.19% in 2017. Or in terms of dollars, more than doubling our expenditures from \$193K in 2016 to \$457K in 2017.

We continue our engagement efforts with the LGBTBE community, and the results show from our increase to 0.05% in 2017 from 0.01% in 2016. In dollar amounts, we grew five times our participation from \$23K in 2016 to \$119K in 2017.

Finally, our results with DVBEs are a testament to our outreach efforts in 2017. We increased our percentage level from 0.94% in 2016 to 2.75% in 2017, and most of the growth (2.17%) comes from direct procurement. In dollar amounts, we tripled our projects from \$2.0M in 2016 to \$6.6M in 2017.



9.1.5 Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

Subcontracting remains a critical piece to our program, and our primes understand it. The results are shown in the number of primes reporting Tier 2 expenditures, their participation in outreach events, and the number of subcontractors reported.

In 2017, one of our primes initiated their subcontracting program. This effort included discussions on supplier diversity and the business case from an enterprise point of view, identifying their eligible diverse suppliers, and getting them through the certification process.

While West Valley Construction remains our top partner in terms of Tier 2 results, other prime contractors are joining us at outreach events.

For example, in May a prime contractor with a large Central Valley project joined us at our booth during a MBDA-PG&E hosted event in Fresno. Allowing for diverse suppliers to directly talk to them and discuss available opportunities.

Similarly, at a Metropolitan Water District-hosted event in Los Angeles, a different prime contractor (with an awarded Southern CA project), joined us to discuss available opportunities.

*West Valley Construction Earns the Tier 1 Visionary Award at CWA's Meet the Primes Event*

On June 6, West Valley Construction (WVC) was formally recognized for their efforts and results in support of the California Water Association's Supplier Diversity Program.

WVC was nominated by California Water Service, for whom they doubled subcontracting opportunities with diverse suppliers to \$9M in 2016, engaging an average of 37 diverse subcontractors per year and consistently supporting outreach efforts by participating at numerous events in Cal Water-specific territories.



*Jackie Glover (San Gabriel Valley Water), Patrick Miller (West Valley Construction), Jose Espinoza (California Water Service) and Tim McLaughlin (San Jose Water Company)*

## 9.1.5 Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE
<b>Direct \$</b>	\$ 16,550,826.01	\$ 2,438,154.74	\$ 18,988,980.75	\$ 4,533,271.66	\$ 119,449.98	\$ 5,247,677.60	\$ -	\$ 28,889,379.99
<b>Subcontracting \$</b>	\$ 6,414,105.79	\$ 156,357.64	\$ 6,570,463.43	\$ 5,390,227.20	\$ -	\$ 1,387,070.49	\$ -	\$ 13,347,761.12
<b>Total \$</b>	<b>\$ 22,964,931.80</b>	<b>\$ 2,594,512.38</b>	<b>\$ 25,559,444.18</b>	<b>\$ 9,923,498.86</b>	<b>\$ 119,449.98</b>	<b>\$ 6,634,748.09</b>	<b>\$ -</b>	<b>\$ 42,237,141.11</b>

<b>Direct %</b>	6.86%	1.01%	7.87%	1.88%	0.05%	2.17%	0.00%	11.97%
<b>Subcontracting %</b>	2.66%	0.06%	2.72%	2.23%	0.00%	0.57%	0.00%	5.53%
<b>Total %</b>	9.52%	1.08%	10.59%	4.11%	0.05%	2.75%	0.00%	17.50%

<b>Net Procurement</b>	<b>\$ 241,304,395.54</b>
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### 9.1.6 WMDVLGBTBE Complaints Received and Current Status

No complaints were received.

### 9.1.7 Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Categories

Our efforts in 2017 were focused on community outreach and partnership, as in sharing upcoming projects to identify possible suppliers. This proved to be successful in terms of opportunities as diverse suppliers participated in several projects, including a telephone system upgrade, a school education program development, water loss control, and many others.

Furthermore, we continue participating with our champions in many outreach events, facilitating one-to-one conversations of suppliers and project managers.

#### Our Success Stories: Cal Vada Surveying (DVBE #8JN00020)



Cal Water's relationship with **Cal Vada Surveying (DVBE #8JN00020)** started at a 2014 CPUC Small Business Expo in Sacramento.

In 2015, we awarded the firm three small purchase orders. After demonstrating strong performance, they received additional invitations to bid.

In the year that followed, Cal Vada secured more than \$300,000 in contracts, some of which—for example, surveying wells in the Central Valley to determine Trichloropropane levels and treatment priority—were critical to public health.

We applaud their contributions to Cal Water's Supplier Diversity Program success.



## Department Spotlight: Cal Water's Engineering Department



As a water utility, the majority of our expenditures are in construction, and at the center of our success is our engineering department.

The Capital Delivery department is led by Erin M., who has been with Cal Water since 2002. Her team plans, designs, and delivers capital projects, including wells, tanks, pump stations, pipelines, and treatment plants. You will find Erin at many outreach events, discussing projects with diverse suppliers.

Maurice F., a team member for more than 17 years, participates in many outreach events and manages critical infrastructure by installing new pipelines to improve transmission operations, storage tanks to ensure water supply, and treatment systems to meet our water quality standards.

Matt P., who has been managing projects for over two years at Cal Water, was instrumental in integrating a Disabled Veteran-Owned firm into our supply chain through a Bay Area pipeline project. He also deals with a handful of special tasks, such as a fish ladder project and a dam modification project in the Bay Area.

For the last four years, Salvador G. has been managing pipeline replacement projects, installing water treatment systems, and coordinating pump installation projects across different cities throughout northern California.

On his fourth year with Cal Water, John P. has been designing, permitting, and managing construction of storage tanks, booster pumps, domestic wells, and transmission pipelines; all critical pieces to our communities' infrastructure.

Gurdhian S. and Gurkiran K. have been executing panelboard installations and replacements, SCADA RTU, as well as instrumentation installation projects in more than 11 cities across the state. They're actively evaluating diverse contractors to support many projects, whether installations or upgrades for tank sites or booster stations.

Our procurement policy is critical to the success of our program, but more important are our associates, whom on a daily basis execute the policy to include diverse suppliers in our projects.

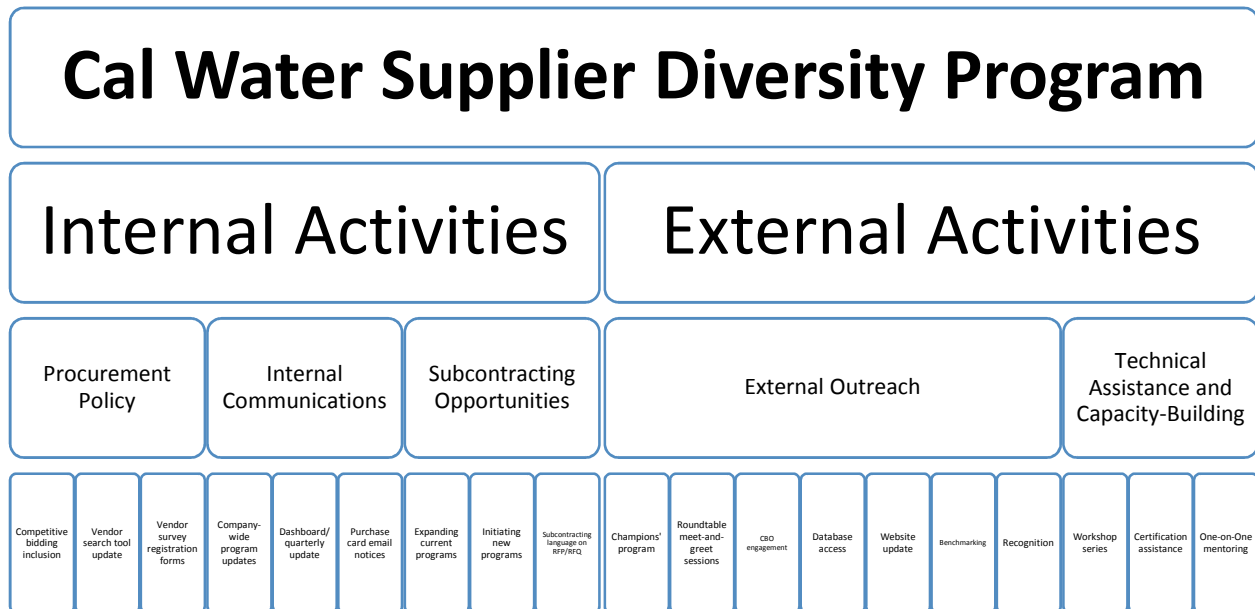
## 2018 ANNUAL PLAN

### 10.1.1 WMDVLGBTBE Annual Short, Mid, and Long-Term Goals

In 2018, Cal Water's goal is to meet the overall 21.5% spending-level target set by the Commission and the individual goals per category. We are also focused on increasing business with the LGBTBE community.

Category	Results	Short-Term Goals	Mid-Term Goals	Long-Term Goals
Minority Men	9.52%	12.00%	12.00%	12.00%
Minority Women	1.08%	3.00%	3.00%	3.00%
Minority Business Enterprise (MBE )	10.59%	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	4.11%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.05%	N/A	N/A	N/A
Disabled Veteran Business Enterprise (DVBE)	2.75%	1.50%	1.50%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>17.50%</b>	<b>21.50%</b>	<b>21.50%</b>	<b>21.50%</b>

### 10.1.2 Description of WMDVLGBTBE Planned Program Activities



In 2018, we're updating our framework to reflect our program's evolution.

#### Internal Program Activities

Our procurement policy is the driver to our success and in the following year, we'll continue with its application.

We are also working on updating our vendor search tool to give diverse suppliers added visibility with our project managers.

We'll continue capturing suppliers' demographic information in our registration forms to identify those eligible for certification.

Additionally, we'll ensure internal visibility to our program through a communications platform as well as our performance dashboard.

As in 2017, we'll identify those diverse suppliers we've engaged through small acquisitions (e.g., purchase card) and give them added visibility to our associates through our e-mail notices.

Subcontracting remains one of our priorities, and we'll continue expanding our current programs by matching primes with ongoing programs to new subcontractors, and by encouraging those without a program to initiate their tracking and outreach efforts.

Similarly, we'll continue with the application of subcontracting targets as outlined in our RFPs.

### External Program Activities

We've seen how critical it is to bring our project managers to outreach events. In 2018, we'll continue the practice by further engaging other departments to bring a variety of disciplines at outreach events. We'll follow up such events with meetings at our campus for more detailed discussions.

With our completed campus renovation, we intend to make our space available for CBOs to host their roundtables and meetings at our facilities. This will make it easier for our project managers to interact with their members.

In 2018 we'll increase the time and resources used to volunteer with CBOs, with the intent of providing a utility perspective to their efforts and programs, as well as to improve our program's (and procurement opportunities) visibility. This practice proved effective through 2017.

We'll continue advocating for access to different diverse suppliers' databases to identify those viable suppliers who are unaware of The Supplier Clearinghouse Certification.

Throughout the year, we'll review our website to update our Calendar of Events and ensure instructions are clear to those suppliers looking to do business with us.

In terms of Technical Assistance, we'll review proposals for new state-wide workshops addressing the concerns of our diverse suppliers (e.g., scalability, growth, new technology, etc.). We'll also assist them in completing the certification process as well as mentor them in preparation of doing business with Cal Water.

#### 10.1.3 Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

In 2018, we'll use a combination of our procurement policy to ensure suppliers' inclusion in our projects while leveraging our partnerships and engagements with different community-based organizations and other major utilities to help us identify viable suppliers.

#### 10.1.4 Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

We'll attempt to engage manufacturers to develop diverse distribution channels. Certain items like gate valves, butterfly valves, and service brass are available only from manufacturers.

Other items like chemicals are manufactured by non-diverse suppliers only (e.g., Sodium Hypochlorite, Ferrous Sulfate). We made progress in integrating Sierra Chemical to our supply chain, but they were acquired by a non-diverse company in 2017. We'll attempt to identify a viable supplier in 2018.

### 10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

Continuous engagement with our primes has been the key to our success in subcontracting. And with this in mind, we adapt our approach to the primes' program development level.

Primes with a robust and, established program have the challenge of finding subcontractors that can provide relevant services. These primes have the opportunity to join us at the California Water Association's Meet the Primes event as well the California Public Utilities Commission's Small Business Expo, and other local and regional events. This visibility allows them to communicate their opportunities.

Primes with an upcoming or developing program face other challenges. They include finding arguments to make the business case internally or how to survey and capture demographic information from their current suppliers. We address these by sharing best practices, success stories, forms, or policy clauses.

Finally, we'll continue monitoring compliance with the subcontracting language in our RFPs. This will communicate the importance of the program and ensure opportunities are available for diverse suppliers.

### 10.1.6 Plans for Complying with WMDVLGBTBE Program Guidelines

Cal Water intends to comply with the Diverse Supplier program guidelines established by the CPUC, as required by Public Utilities Section 8283(c). The CPUC Executive Director's Office will be responsible for developing, periodically refining, and recommending such guidelines for the CPUC's adoption in an appropriate procedural forum.

Cal Water will also continue to comply with the General Order 156 program guideline, participate in the CPUC's Supplier Diversity Forums and Workshops as requested, and work in partnership with the California Water Association and Joint Utilities to address the challenges faced by diverse suppliers in the procurement process.

**Prepared by:**

Jose G. Espinoza CPSM, CPSD  
Supplier Diversity Program Manager  
California Water Service