



# CALIFORNIA WATER ASSOCIATION SUPPLIER DIVERSITY PROGRAM UPDATE



Tim McLaughlin  
San Jose Water Company



Jose Espinoza  
California Water Service

- *Presenters* -



# CWA - SUPPLIER DIVERSITY PROGRAM UPDATE



Jackie Glover  
San Gabriel Valley Water Company



Daniel Rodriguez  
Park Water Company /  
Apple Valley Ranchos Water Company



Edward Simon  
California American Water



Lauren James  
Suburban Water Systems



Emma Maxey  
Golden State Water Company



Tim McLaughlin  
San Jose Water Company



Jose Espinoza  
California Water Service

- *Utility Supplier Diversity Program (USDPA) Committee* -



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## General Order 156

- **CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC):** Rules governing the development of programs to increase participation of **women, minority and disabled veteran business enterprises...**
- **2015 - The California Public Utilities Commission (CPUC)** expanded its Supplier Diversity Program to include **lesbian, gay, bisexual, and/or transgender (LGBT) business enterprises...**

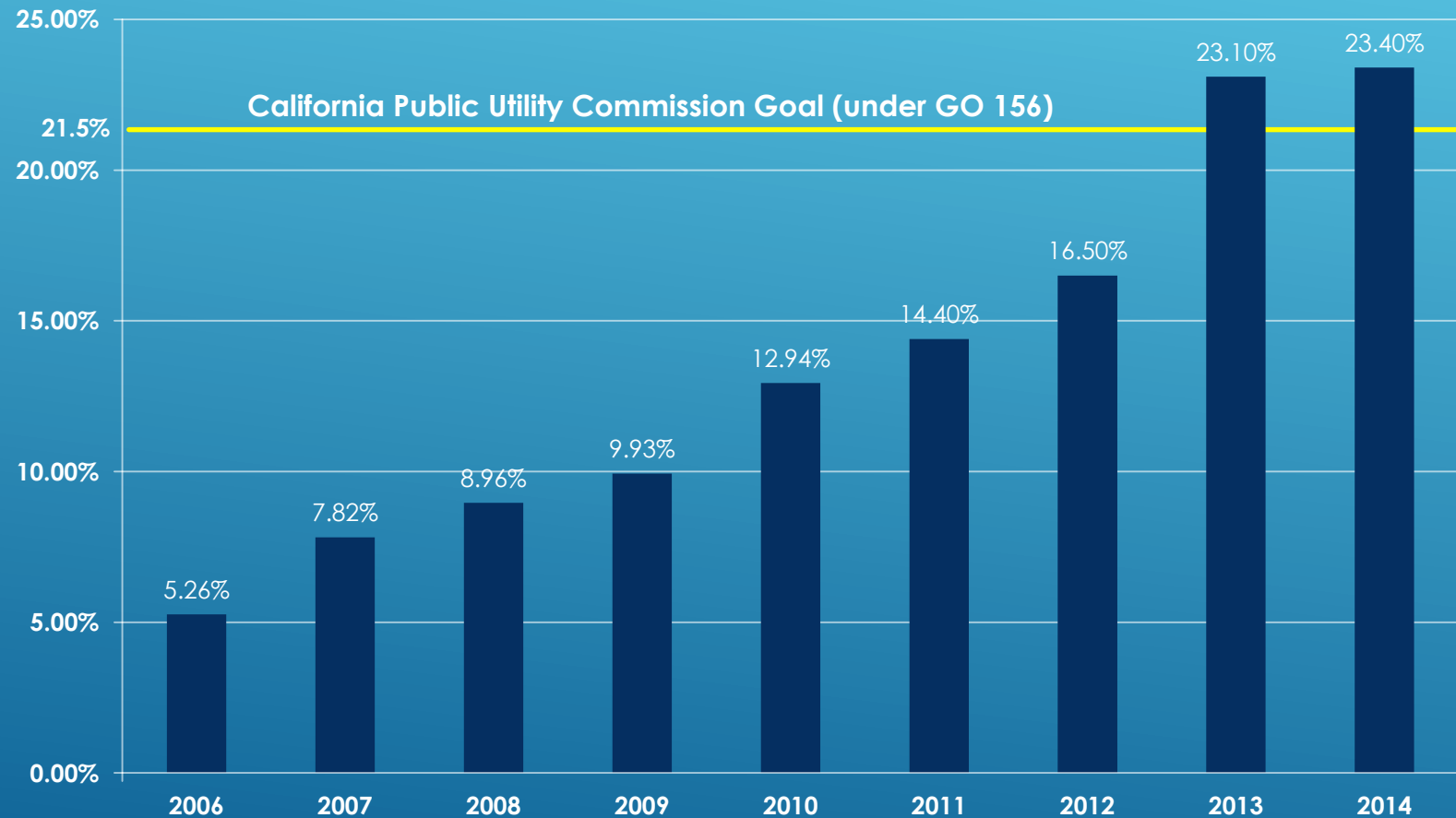
## Supplier Diversity Business Case

Drivers	Rationale
Competition	Top performing utilities are heralded while those performing below expectations receive increased scrutiny, impacting company brand. Supplier Diversity Programs can also be a recruiting advantage in securing top talent.
Reputation / Brand	
Demographic Parity	External stakeholders are asking that utility supplier diversity results reflect the demographics of California. ( Sept. 2011 – Huffington Post: “In all but eight of California’s 26 metropolitan areas, minorities make up more than half the population”)
Better Business Solutions	
Economic Vitality	Stronger business means stronger communities. SJWC strives to be viewed as a leader in socially responsible sourcing, contributing to the communities that we serve.
Inclusion	More stakeholder groups want their constituents included in supplier diversity initiatives. (Small business, LGBT, non-disabled veterans, mentally disabled, etc.)
Innovation	Diversity of ideas drives innovation and lead to better business solution.
Job Creation	Diversity Business Enterprises (DBEs) participate throughout the SJWC supply chain allowing them to hire other companies and employees to support SJWC projects.
SJWC Vision and Values	In order for SJWC to become / maintain its place as a leading water utility within the region, the company must adhere to its values of “celebrating diversity” and “supporting our communities.
Regulatory Oversight	Regulators continue to raise the bar. While they praise for increasing overall spending with DBEs, they are asking for improved performance in legal, finance, consulting services and other categories of spend with low DBE utilization.
Public Policy Support	
Revenue Generation	Supplier Diversity is a factor in the General Rate Case. Interveners and Community Business Organizations (CBOs) demand supplier diversity



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## CWA Utility Supplier Diversity Program Results







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## Meet The Primes





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- Southern/Northern CA Meet The Primes Events-





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## San Jose Water Company:

- **Tim McLaughlin named Manager of Supplier Diversity and Community Involvement – May 2015**
- **2014:**
  - Supplier Diversity Registration portal
  - Mentor Protégé Program: Western States Oil
- **Current / Future Plans:**
  - Prime Supplier Program – subcontracting reporting portal
  - Ambassador Program
  - Outreach to the LGBT Community





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## California American Water:

- Ed Simon named as a new senior leadership team member accountable for supplier diversity
- Considering updates to RFP and contract language to include requirements/goals for non diverse prime suppliers to utilize and report second tier diverse spend
- YTD 2015 increased quantity of diverse vendors from 19 in 2014 to 26.
- 30% of our 86 current diverse vendors are new for 2015.
- All active bid opportunities are posted on Cal-Am's web-site and include the RFP documents and contact information for all invited primes. This encourages inclusion of diverse vendors as either a prime or a sub for all active bid opportunities.



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## Golden State Water Company:

- Implementation of Planet Bids e Procurement Platform
- Continue with the Mentor Protégé Program
- Rolled out new Procurement Policy

## Future:

- Host Contractor's Meeting
- Continue to develop our Supplier Diversity Council Program



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## Park Water Company / Apple Valley Ranchos Water:

### 2014

- Continue to seek out positive candidates for our Mentor Protégé Program
- Since 2011 have exceeded the CPUC 21.5% diversity spend (2014 / 39.07%)

### 2015

- Increased our USDP vendor base
- Successful in our challenge to spread our diverse spend
- Successful in our goals with regards to our 7<sup>th</sup> Annual Business Opportunity Fair
  - Southern California
  - Northern California





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## San Gabriel Valley Water Company:

- Will participate in the 2015-2016 Capacity Building and Technical Assistance Program
- Jackie Glover has taken on the role of USDP Committee Chair



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## Suburban Water Systems:

- Lauren James named Supplier Diversity Representative for Suburban Water
- Suburban's focus for 2015 was to encourage Diverse Primes to hire Diverse Sub-Contractors.
- Suburban exceeded the overall 21.5% goal in 2014, accomplishing total diverse spend of 23.88%.
- Suburban looks to meet or exceed 2014 results this year.



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## California Water Service:

### En Banc:

- Cal Water recognized for achieving the overall 21.5% CPUC goal as well as in each of the subcategories (i.e. Minority, Women, Disabled Veteran) in 2014.

### Procurement Policy:

- One WMDVBE vendor quote
- Projects awarded on value
- 28 new diverse vendors
- Awarded approx. \$980,000

### Program's bottom line impact:

- 2014: 29 Requisitions
- When selecting a WMDVBE Vendor, experienced a 19% average savings (\$1M)
- IT products, construction projects, training, geological services.





QUESTIONS ?