

San Jose Water Company

150<sup>th</sup> Anniversary

# Utility Supplier Diversity Report to the California Public Utilities Commission (U-168-W)

Women, Minority, Disabled Veteran, and Lesbian, Gay, Bisexual, and Transgendered Business Enterprise Procurement

## 2016 Report and 2017 Plan

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In response to CPUC General Order 156

# San Jose Water Company





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## LETTER FROM THE CHAIRMAN AND CEO

# San Jose Water Company's Supplier Diversity Commitment



San Jose Water Company's mission is to provide safe, reliable, high quality water service at a just and reasonable price. In order to accomplish this, we believe it is essential to have a robust supply chain inclusive of diverse suppliers that represent the communities we serve. The utilization of women, minority, disabled veteran, and lesbian, gay, bisexual, and transgendered business enterprises enables us to transform business processes and manage the many challenges we face, while serving a large and diverse customer base.

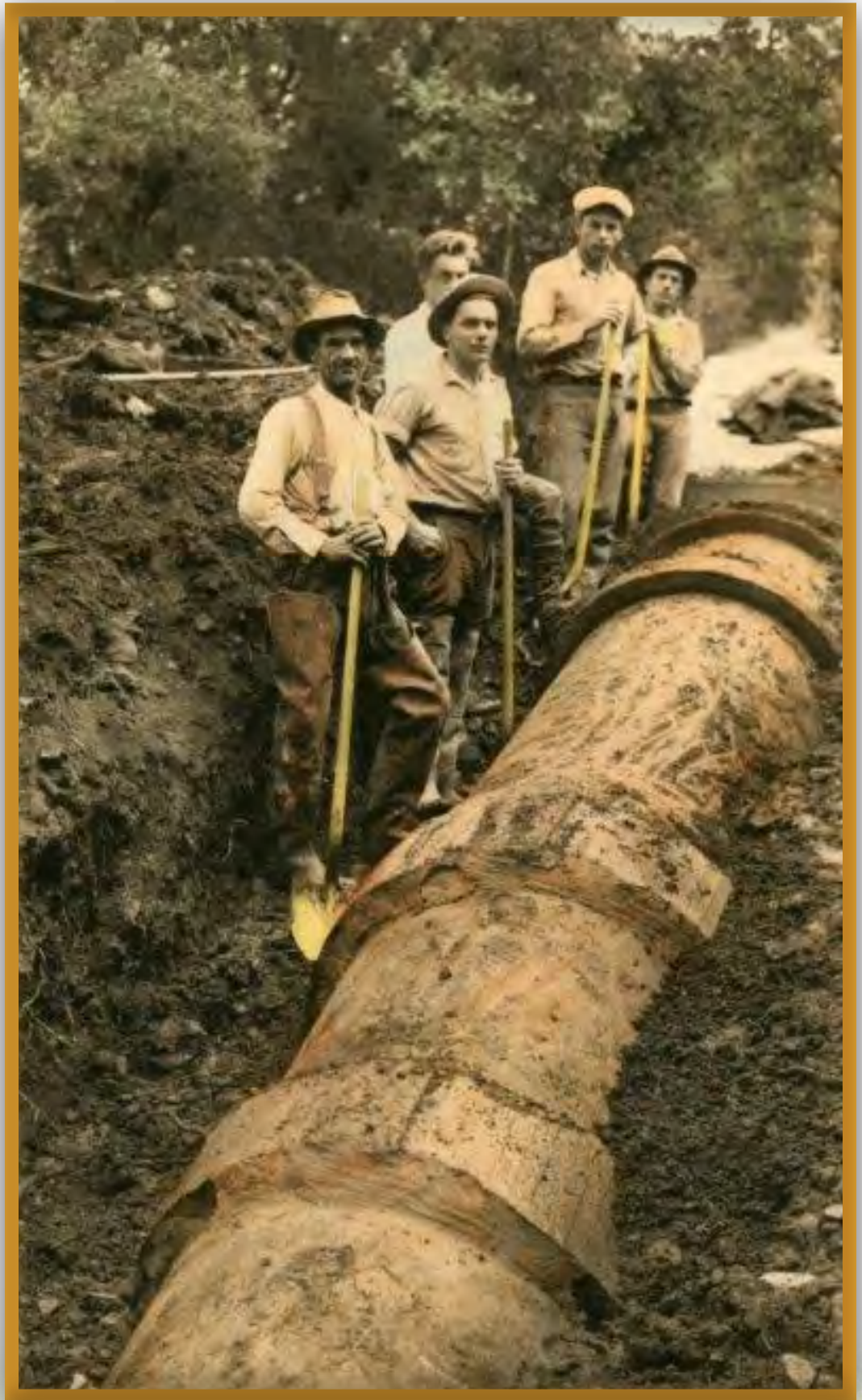
2016 was a year of continued process improvement within our Supplier Diversity Program, building upon the many changes implemented in 2015. As such, we are pleased to report that our procurement efforts have resulted in \$22M spent with diverse businesses, representing a 16% increase over 2015. We have made significant improvements in our data integrity and reporting processes and improved our results in many of the areas that we began to baseline in 2015, including a 49% increase in Tier 2 diverse spend.

As we look to 2017 and beyond, we recognize there are challenges ahead. We will continue our focus in areas that include Tier 2 diverse spend within our capital improvement budget, expanding our Prime Supplier Program, improvements to our reporting system/process, and balancing our growth in addressable spend with diverse supplier inclusion.

In conclusion, we recognize the inclusion of diverse and small businesses within our supply chain directly benefits our customers. More broadly, supplier diversity is an important component in enhancing the economic vitality of our communities and ultimately empowers the regions where we work, live, and serve.

A handwritten signature in black ink, appearing to read 'WRoth', with a horizontal line extending to the right.

W. Richard Roth  
Chairman and CEO  
San Jose Water Company



This filing is in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156 and contains the 2016 Annual Report and the 2017 Annual Plan of SJWC's Utility Supplier Diversity Program (USDSP). The annual report describes the program activities and results achieved by SJWC for the period of January 1 through December 31, 2016.

## 2016 ANNUAL REPORT

# Summary of Program and Highlights

SJWC's commitment to the CPUC's USDP program and its goal to provide access and opportunity to Women, Minority, Disabled Veteran, and Lesbian, Gay, Bisexual, and Transgendered Business Enterprises (WMDVLGBTBE) continues to progress through program and process development. SJWC's overall net procurement totaled \$138M in 2016, representing a 25% increase over the previous year. The company's procurement for goods and services with WMDVLGBTBEs represented \$22M or 16 % of our net procurement. Prime Supplier subcontracting participation to diverse companies increased by \$3M (49%), compared to 2015 results, totaling nearly \$9M. We also experienced increases in dollars spent with Minority Owned Businesses (14%), Women Business Enterprises (11%), Disabled Veteran Owned Businesses (125%), and \$13K with Lesbian, Gay, Bisexual, and Transgendered Business Enterprises, a category previously unreported.

As described in our 2015 report, SJWC implemented significant changes to its supplier diversity systems and reporting process. The most significant improvement came in the data integrity area through contracting with a third party to perform a thorough data cleanse of our accounts payable data, resulting in increased tracking and reporting accuracy and providing SJWC with a sound baseline from which to build. A new process was put in place, insuring data integrity is maintained moving forward.

SJWC is an active participant and contributor to the California Water Association's (CWA)USDP. Under the USDP, we have continued participation in our supplier Mentoring (MP3) Program. The USDP also provides matchmakers and various forms of technical assistance to diverse suppliers throughout California.

Our percent of diverse business utilization for 2016 was 16%, a 1% decrease as compared to 2015, representing supplier diversity results that essentially kept pace with a 25% growth in net spend.

We recognize that our low spend profile, when compared to larger utilities, leaves us more vulnerable to the effects of a discrete event that otherwise might be absorbed by a larger utility with a larger net spend. As an example, the loss (or addition) of a multi-million dollar diverse supplier has a much more significant impact on a smaller utility's overall supplier diversity percentage. This highlights smaller utilities' unique challenges (and opportunities) in striving to achieve results year over year. As a result of this effect, smaller utilities' results may show more variance year over year. Therefore, we believe our 1% decrease in overall spend is less significant when compared to increasing our total supplier diversity spend by 16%.



# SJWC'S 2016 USDP HIGHLIGHTS

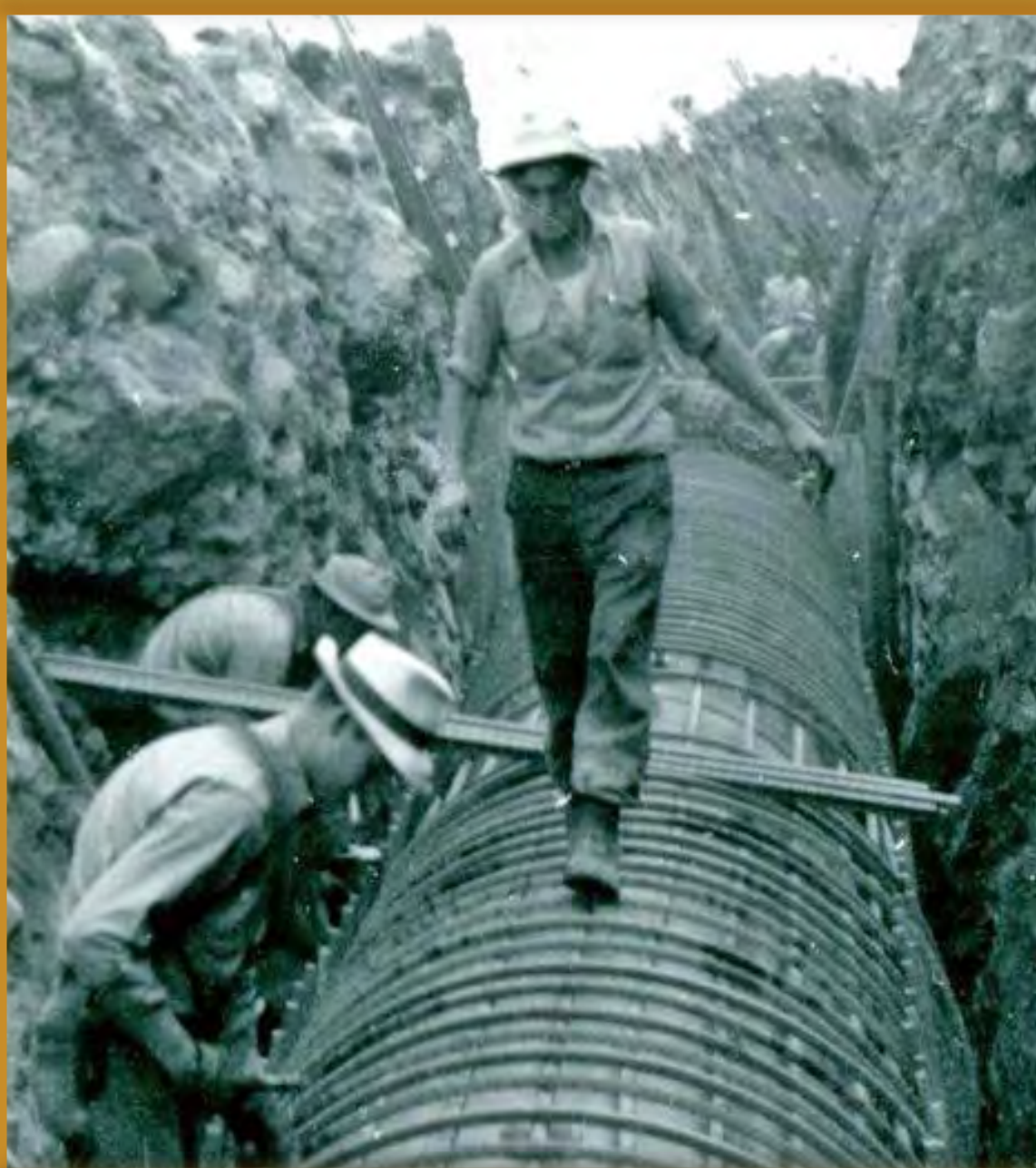
## SJWC 2016 Achievements:

- Overall spend with diverse suppliers increased by 16%
- Spend with Disabled Veteran Owned businesses increased by 125%
- Prime Supplier Program subcontracting increased by 49%
- Minority Business Enterprise spend increased by 14%
- Women Business Enterprise spend increased by a total of 11%
- LGBT Business Enterprise spend increased from zero to \$13K
- SJWC realized a significant portion of the expected total diverse subcontracting through the commitment on one of our largest and technically complex capital intensive projects, the Montevina Water Treatment Plant upgrade. Diverse subcontracting associated with the project increased from \$122K in 2015 to \$2.5M in 2016
- Increased tracking and reporting accuracy through utilization of a third party to perform data cleanse of our accounts payable supplier data
- Kicked off new V.A.L.O.R. (Veterans Accessibility Leadership Outreach Results) program in order to increase utilization of DVBE businesses
- Utilizing our new reporting process, SJWC was able to establish a more accurate baseline from which to move forward; this baseline includes the following 2015 and 2016 measures:

Program Baseline Statistics	Statistic	
	2015	2016
Total procurement spend:	\$221M	\$260M
Total addressable spend:	\$110M	\$138M
Overall spend with diverse suppliers:	\$19M	\$22M
Direct spend with diverse suppliers:	\$13M	\$13M
Prime Supplier Program, subcontracting with diverse suppliers:	\$6M	9M
Total Minority Business Enterprise (MBE) Spend:	\$13.1M	\$14.9M
Total Women Business Enterprise (WBE) Spend:	\$5.5M	\$6.1M
Total Disabled Veteran Business Enterprise (DVBE) Spend:	\$432K	\$971K
Total Lesbian, Gay, Bisexual, Transgendered Business Enterprise Spend (LGBTBE) Spend:	\$0	13K
Total number of diverse suppliers within the SJWC supplier diversity program:	57	48
Number of diverse suppliers doing business directly with SJWC:	34	32
Number of diverse suppliers doing business with SJWC through subcontracting:	28	28

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Year	Total Eligible Procurement	Diverse Procurement
2012	\$96,313,252	\$17,507,376
2013	\$92,429,415	\$18,145,595
2014	\$90,949,889	\$22,880,429
2015	\$110,416,872	\$19,006,931
2016	\$137,515,977	\$22,008,845







## 9.1.1

# Description of WMDVLGBTBE Program Activities during the Previous Calendar Year

SJWC re-engineered its supplier diversity systems and procedures to make significant gains in data reliability, tracking, and reporting. A significant portion of process improvements identified in 2015 were addressed in 2016, including a third party audit of our accounts payable data. We are in the second year of tracking baseline metrics, which indicate consistency of reporting year over year. More changes are planned for 2017 and will be detailed in the 2017 Annual Plan.

In 2016, SJWC focused on the following key areas:

- 1) Continue to establish relationships between supplier diversity and key stakeholders within the organization
- 2) Continue utilization of the SJWC Supplier Diversity Champion's Program
- 3) Enhance the overall supplier diversity process and systems
- 4) Increase Community Business Organization (CBO) involvement
- 5) Implementation of DVBE support program

### **Internal Activities:**

- Champion's Program strategy/training sessions on June 29, 2016 and July 14, 2016. The meeting topics included 2015 results and 2016 initiatives.
- 2016 marked the formal kick-off of the V.A.L.O.R. program, formed to promote small acquisition purchases with DVBE's.
- Continued emphasis on Prime Supplier subcontracting participation leading to a 49% increase in subcontracting to diverse businesses.
- Contracted with a third party, Avisare, in order to perform an audit of SJWC's accounts payable system. This resulted in the population of missing data and provided verification and updates to existing data.

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## External Activities:

In order to increase leadership roles in CBOs, Tim McLaughlin, Supplier Diversity and Community Involvement Manager, took part in the following organizations:

- Elected President of the Industry Council for Small Business Development (ICSBD) for the term beginning January 1, 2017;
- Selected to serve on the Institute of Supply Management's (ISM) Diversity Committee; and
- Represented the USDP on the Disabled Veteran Business Alliance Advisory Council.

SJWC continues the company's outreach efforts by participating in CBO events that include partnerships with WMDVLGBTBEs, both locally and throughout the State of California. Building relationships and understanding the needs/capabilities of each CBO remains a critical success factor in driving more diverse spend at SJWC. Partnering with the organizations listed below helps to enable SJWC to play a key role in educating diverse business on the process of doing business with SJWC:

- National Minority Supplier Development Council (NMSDC)
- Western Regional Minority Supplier Development Council (WRMSDC)
- Women's Business Enterprise National Council (WBENC)
- Women's Business Enterprise Council - West (WBEC-West)
- National Utility Diversity Council (NUDC)
- Institute for Supply Management (ISM)
- CPUC (Small Business Expos)
- Elite Service Disabled Veteran Owned Business (SDVOB) Network
- Disabled Veteran Business Alliance
- American Indian Chamber of Commerce
- National Gay & Lesbian Chamber of Commerce (NGLCC)
- Industry Council for Small Business Development (ICSBD)

SJWC also partners with other California Water Association (CWA) Class A members as part of the CWA USDP committee. The CWA USDP also partners with the above organizations as well as many smaller, local/regional organizations in the area. SJWC often represents the CWA USDP at various CBO events, tradeshow, and matchmakers.



## **CBO Presentations**

Tim McLaughlin, Manager of Supplier Diversity and Community Involvement, presented multiple times throughout 2016:

- Multiple monthly meeting of the local chapter of the Elite SDVOB Network;
- SJWC's V.A.L.O.R. program at the Elite SDVOB local chapter expo on October 18, 2016;
- Panelist at the National Utility Diversity Council's Back to Brooklyn event on May 26, 2016;
- Featured speaker at the monthly luncheon for the Industry Council for Small Business Development (ICSBD) on April 20, 2016; and
- Featured speaker on the National Utility Diversity Council's monthly webinar series on November 16, 2016.

## **Joint Utility Meetings**

The SJWC USDP Manager of Supplier Diversity actively participates in the CPUC's joint utilities quarterly meetings and is a key contributor in developing processes that impact the way diverse businesses do business with all of California's utilities.



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## **CBO, Tradeshow, Conference, and other Outreach Events**

SJWC's participation at outreach and community events listed below afford supplier diversity champions the opportunity to introduce qualified suppliers to the procurement process. A brief list of 2016 outreach participation includes:

- Institute of Supply Management (ISM), Diversity Conference, February 10-12, 2016
- Women's Business Enterprise National Council, Summit and Salute, March 22-24, 2016
- DVBE SoCal Construction Expo, March 29, 2016
- CPUC Small Business Expo, March 30, 2016
- 6th Annual SBA Southern California 8(a) Conference, April 26, 2016
- ISM Annual Conference 2016 Fundamentals of Purchasing, May 14-18, 2016
- Disabled Veteran Business Alliance, Keeping the Promise, May 18-19, 2016
- National Utility Diversity Council (NUDC), Back to Brooklyn Conference, May 26, 2016
- WBENC National Convention, June 21-23, 2016
- American Indian Chamber of Commerce(AICOC) 2015 Expo, July 31 - August 2, 2016
- Western Regional Minority Supplier Development Council (WRMSDC), Business Opportunity Fair, August 16, 2016
- Elite SDVOB National Conference, August 22-25, 2016
- WBEC-West 13th Annual Strategic Procurement Conference, September 7-9, 2016
- California Public Utilities Commission, En Banc, September 21, 2016
- California Water Association, Prime Supplier Matchmaker, October 6, 2016
- ISM Diversity Committee Meeting, October 13-14
- National Minority Supplier Development Council (NMSDC), National Conference, October 23-26, 2016
- Disabled Veteran Business Alliance, Salute to Veterans Breakfast, November 11, 2016



## 9.1.2

# WMDVLGBTBE Annual Results by Ethnicity

### 2016 Report • G.O. #156 Sec. 9.1.2

		Direct	Sub	Total \$	%
1	Asian Pacific American	\$1,436	\$195,072	\$196,508	0.14%
2	African American	\$5,669	\$0	\$5,669	0.00%
3	<b>Minority Male</b> Hispanic American	\$10,234,824	\$1,720,815	\$11,955,639	8.69%
4	Native American	\$862,836	\$0	\$862,836	0.63%
5	Total Minority Male	\$11,104,765	\$1,915,887	\$13,020,652	9.47%
6	Asian Pacific American	\$1,664,749	\$0	\$1,664,749	1.21%
7	African American	\$25,932	\$3,474	\$29,406	0.02%
8	<b>Minority Female</b> Hispanic American	\$1,130	\$231,369	\$232,499	0.17%
9	Native American	\$0	\$0	\$0	0.00%
10	Total Minority Female	\$1,691,811	\$234,843	\$1,926,654	1.40%
11	Total Minority Business Enterprise (MBE)	\$12,796,576	\$2,150,730	\$14,947,306	10.87
12	Women Business Enterprise (WBE)	\$257,245	\$5,820,414	\$6,077,659	4.42%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$6,976	\$5,513	\$12,489	0.01%
14	Disabled Veteran Business Enterprise (DVBE)	\$0	\$971,391	\$971,391	0.71%
15	Other 8(a)*	\$0	\$0	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>	<b>\$13,060,797</b>	<b>\$8,948,048</b>	<b>\$22,008,845</b>	<b>16.00%</b>
17	<b>Net Procurement**</b>	<b>\$137,515,977.</b>			

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT  
 % - PERCENTAGE OF NET PROCUREMENT

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## 9.1.2

### WMDVLGBTBE Direct Procurement by Product and Service Categories

#### San Jose Water Co. • G.O. #156 Sec. 9.1.2

				Products		Services		Total	
				\$	%	\$	%	\$	%
1		Asian Pacific American	Direct	\$1,111	0.00%	\$325	0.00%	\$1,436	0.00%
2		African American	Direct	\$0	0.00%	\$5,669	0.00%	\$5,669	0.00%
3	<b>Minority Male</b>	Hispanic American	Direct	\$688,633	0.50%	\$9,546,192	6.94%	\$10,234,825	7.44%
4		Native American	Direct	\$862,836	0.63%	\$0	0.00%	\$862,836	0.63%
5		Total Minority Male	Direct	\$1,552,580	1.13%	\$9,552,186	6.95%	\$11,104,766	8.08%
6		Asian Pacific American	Direct	\$0	0.00%	\$1,664,749	1.21%	\$1,664,749	1.21%
7		African American	Direct	\$1,932	0.00%	\$24,000	0.02%	\$25,932	0.02%
8	<b>Minority Female</b>	Hispanic American	Direct	\$0	0.00%	\$1,130	0.00%	\$1,130	0.00%
9		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Direct	\$1,932	0.00%	\$1,689,879	1.23%	\$1,691,811	1.23%
11	Total Minority Business Enterprise (MBE)		Direct	\$1,554,512	1.13%	\$11,242,065	8.18%	\$12,796,577	9.31%
12	Women Business Enterprise (WBE)		Direct	\$42,517	0.03%	\$214,728	0.16%	\$257,245	0.19%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$6,976	0.01%	\$0	0.00%	\$6,976	0.01%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
15	Other 8(a)*		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>		<b>Direct</b>	<b>\$1,604,005</b>	<b>1.17%</b>	<b>\$11,456,793</b>	<b>8.33%</b>	<b>\$13,060,798</b>	<b>9.50%</b>
17	<b>Total Product Procurement</b>			<b>\$1,604,005</b>					
18	<b>Total Service Procurement</b>			<b>\$11,456,793</b>					
19	<b>Net Procurement**</b>			<b>\$137,515,977</b>					
20	<b>Total Number of WMDVLGBTBEs that received Direct Spend</b>			<b>32</b>					

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT  
 % - PERCENTAGE OF NET PROCUREMENT



## 9.1.2

# WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

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			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Asian Pacific American	Sub	\$0	0.00%	\$195,072	0.14%	\$195,072	0.14%	
2	African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%	
3	<b>Minority Male</b>	Hispanic American	Sub	\$629,991	0.46%	\$1,090,825	0.79%	\$1,720,816	1.25%
4		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Sub	\$629,991	0.46%	\$1,285,897	0.94%	\$1,915,888	1.39%
6	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%	
7	African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%	
8	<b>Minority Female</b>	Hispanic American	Sub	\$231,369	0.17%	\$0	0.00%	\$231,369	0.17%
9		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Sub	\$231,369	0.17%	\$0	0.00%	\$231,369	0.17%
11	Total Minority Business Enterprise (MBE)		Sub	\$861,360	0.63%	\$1,285,897	0.94%	\$2,147,257	1.56%
12	Women Business Enterprise (WBE)		Sub	\$1,240,866	0.90%	\$4,583,023	3.33%	\$5,823,889	4.24%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$5,513	0.00%	\$0	0.00%	\$5,513	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$575	0.00%	\$970,815	0.71%	\$971,390	0.71%
15	Other 8(a)*		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>		<b>Sub</b>	<b>\$2,108,314</b>	<b>1.53%</b>	<b>\$6,839,735</b>	<b>4.97%</b>	<b>\$8,948,049</b>	<b>6.51%</b>
17	<b>Total Product Procurement</b>		<b>\$2,108,314</b>						
18	<b>Total Service Procurement</b>		<b>\$6,839,735</b>						
19	<b>Net Procurement**</b>		<b>\$137,515,977</b>						

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT  
 % - PERCENTAGE OF NET PROCUREMENT

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)	Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLG-BTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
7	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$806,632
8	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$200
13	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$106,600
14	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$9,454
15	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$2,912,190
16	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 6,136,338	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 6,136,338	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$34,394,488
17	\$ 3325	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 2,932,888	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 2,932,213	\$ 2,989	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$29,621,503
22	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$4,156
23	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$7,237
25	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 6,976	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$6,976
26	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$1,803
27	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 33,926	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$169,179
28	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$79,690
29	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$67,896
30	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 2,820	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$39,429
32	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$365,502
33	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$5,847,713
34	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 106,661	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 106,661	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$1,021,248
35	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 30,652	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$4,653,212
36	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$344,980
37	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 862,836	\$ 0.00%	\$ 0.00%	\$ 862,836	\$ 862,836	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$1,128,911
38	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$567,420
39	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$206,038
42	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$116,346
45	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$6,866
47	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$138
48	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$45,680
49	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$551,850
50	\$ 1,111	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 205,883	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 208,927	\$ 9,045	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$217,972
51	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 376,089	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 376,089	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$376,089
52	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$88,205
53	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$38,873





# 9.1.2

## WMDVLGBTBE Procurement by Standard Industrial Categories (continued)

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 Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLG-BTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
54	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$280,605
55	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$1,235,874
57	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$91,104
58	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$79,702
59	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$104,798
62	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$120,549
63	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	-\$3,082
64	\$ 0	0.0%	\$ 5,600	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 5,600	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$2,085,715
65	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$143,243
67	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	-\$627,512
72	\$ 0	0.0%	\$ 0	0.0%	\$ 276,066	0.2%	\$ 0	0.0%	\$ 276,066	0.2%	\$ 0	0.0%	\$ 0	\$ 0	\$1,281,929
73	\$ 0	0.0%	\$ 127,656	0.1%	\$ 24,000	0.0%	\$ 0	0.0%	\$ 151,656	0.1%	\$ 25,505	0.0%	\$ 0	\$ 0	\$8,357,551
75	\$ 0	0.0%	\$ 1,537,093	1.1%	\$ 0	0.0%	\$ 23,172	0.0%	\$ 1,560,265	1.1%	\$ 0	0.0%	\$ 0	\$ 0	\$1,975,351
76	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$28,372
79	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$39,998
80	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$4,501
81	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$2,053,054
82	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$10,264
83	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$23,502
86	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$6,665
87	\$ 177,727	0.1%	\$ 1,130	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 178,926	0.1%	\$ 75,672	0.0%	\$ 0	\$ 0	\$33,980,090
89	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$306,574
93	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$600
94	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	-\$2,259
95	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$12,891
96	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	\$48,938
Other	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	\$ 0	-\$270
<b>TOTAL</b>	<b>\$ 179,163</b>	<b>0.1%</b>	<b>\$ 1,665,879</b>	<b>0.0%</b>	<b>\$ 25,932</b>	<b>0.0%</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 12,796,577</b>	<b>0.2%</b>	<b>\$ 6,976</b>	<b>0.0%</b>	<b>\$ 0</b>	<b>\$ 13,060,798</b>	<b>\$137,515,977</b>
<b>Total Product Procurement</b>															
<b>Total Service Procurement</b>															
<b>Net Procurement***</b>															

**\$3,712,319**  
**\$18,296,528**  
**\$137,515,977**

NOTE:  
 \*\*FIRMS WITH MULT MINORITY OWNERSHIP STATUS  
 \*\*\*NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY  
 % - PERCENTAGE OF TOTAL DOLLARS  
 \*\*\*\* Reflects data for all direct SJWC DBE spend

# San Jose Water Company

## 9.1.2

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

San Jose Water Company • G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)

#### Data on Number of Suppliers

# WMDVLGBTBEs	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	5	4	1	0	0	10	15	13	1	0	0	29
Under \$5 million	3	4	0	0	0	7	2	0	0	0	0	2
Under \$10 million	2	4	0	0	0	6	1	0	0	0	0	1
Above \$10 million	8	1	0	0	0	9	0	0	0	0	0	0
<b>TOTAL</b>	<b>18</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>18</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>32</b>

#### Revenue and Payment Data

WMDVLGBTBE \$M	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$692,456	\$884,905	\$373,567	\$0	\$0	\$1,950,928	\$2,190,257	\$257,246	\$6,976	\$0	\$0	\$2,454,479
Under \$5 million	\$3,190,130	\$15,079,091	\$0	\$0	\$0	\$18,269,221	\$4,469,980	\$0	\$0	\$0	\$0	\$4,469,980
Under \$10 million	\$14,421,326	\$0	\$0	\$0	\$0	\$14,421,326	\$6,136,338	\$0	\$0	\$0	\$0	\$6,136,338
Above \$10 million	\$286,265,876	\$1,573,126,045	\$0	\$0	\$0	\$1,859,391,921	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$304,569,788</b>	<b>\$1,589,090,041</b>	<b>\$373,567</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,894,033,396</b>	<b>\$12,796,575</b>	<b>\$257,246</b>	<b>\$6,976</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,060,797</b>

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 CHS: SUPPLIER CLEARINGHOUSE  
 \*\* Reflects data for all direct SJWC DBE spend



## 9.1.2

# Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

**San Jose Water Company • G.O. #156 Sec. 9.1.2**

In 2016, SJWC conducted business directly with 25 diverse companies headquartered\* in California with a total workforce of 1,671 employees and a total average annual revenue of \$1.9B. The average revenue for a supplier within this data set is \$76M.

\* Information for this report was taken from the CPUC Clearinghouse database as of 12/31/2016. It is assumed that suppliers listed in the Clearinghouse, with California addresses, are California-based companies, and the number of employees listed for these suppliers are all part of the California workforce.



9.1.3

WMDVLGBTBE Program Expenses

San Jose Water Company • G.O. #156 Sec. 9.1.3

Expense Category	2016 (Actual)
Wages	\$80,340
Other Employee Expenses	\$0
Program Expenses	\$52,000
Reporting Expenses	\$5,000
Training	\$0
Consultants	\$0
Other	\$22,400
<b>TOTAL</b>	<b>\$159,740</b>





## 9.1.4

# Description of Progress in Meeting or Exceeding Set Goals

### San Jose Water Company • G.O. #156 Sec. 9.1.4

SJWC's diverse business utilization for 2016 was 16%, a 1% decrease as compared to 2015, representing supplier diversity results that essentially kept pace with a 25% growth in net spend. There are two main factors that affected our ability to meet the 21.5% goal set forth by the CPUC:

1. SJWC experienced large increases in overall spend in 2016, resulting in a corresponding \$28M increase in NET spend.
2. A change in scheduling within one of our major projects resulted in pushing a significant portion of expected diverse subcontracting into 2017, resulting in a lower than expected 2016 subcontracting component.

We recognize that the above two events are discrete examples that affect us, a small utility, to a much greater extent than compared to a larger utility. These events represent some of the unique challenges (and opportunities) faced by a smaller utility in striving to achieve results. As such, smaller utilities' results may show more of a variance from year to year. We believe our 1% decrease in overall diverse spend is less significant when compared to increasing our total supplier diversity spend by \$3M or 16%.



9.1.4

WMDVLGBTBE Results and Goals

San Jose Water Company • G.O. #156 Sec. 9.1.4

Category	2016 Results	2016 Goals
Minority Men	9.47%	7.50%
Minority Women	1.40%	7.50%
Minority Business Enterprise (MBE)	10.87%	15.00%
Women Business Enterprise (WBE)	4.42%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.01%	0.50%
Disabled Veteran Business (DVBE)	0.71%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>16.01%</b>	<b>22.00%</b>

% - PERCENTAGE OF NET PROCUREMENT





## 9.1.5

# Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

San Jose Water Company • G.O. #156 Sec. 9.1.4

In 2016, Prime Supplier subcontracting participation to diverse companies increased by \$3M (49%), compared to 2015 results, totaling nearly \$9M reported through prime supplier subcontracting. Supplier Diversity, Champions, and Sourcing personnel continue to work with prime suppliers to increase utilization of diverse businesses. SJWC drives its prime suppliers to look into their operations to identify areas suitable for diverse supplier participation. The Prime Supplier Program continues to grow as evidenced by the year-on-year progress below:

Year	Total NET Procurement	Diverse Subcontracting
2012	\$96,313,252	\$2,523,625
2013	\$92,429,415	\$3,859,685
2014	\$90,949,889	\$5,612,624
2015	\$110,416,872	\$5,997,584
2016	\$137,515,977	\$8,948,048

### Prime Supplier Matchmaking Events

In 2016, SJWC partnered with other CWA USDP members to sponsor and lead a Prime Supplier Matchmaking event held on October 6, 2016. The matchmaker event, held in southern California, provided information on how to participate in key water company capital projects and gave water utility prime suppliers the chance to interface with a variety of qualified diverse companies.

# San Jose Water Company

## 9.1.5

### Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

#### San Jose Water Company • G.O. #156 Sec. 9.1.5

	Minority Male	Minority Female	Minority Business Enterprise (MBE)**	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLG-BTBE
Direct \$	\$11,104,765	\$1,691,811	\$12,796,576	\$257,245	\$6,976	\$0	\$0	\$13,060,797
Subcontracting \$	\$1,915,887	\$234,843	\$2,150,730	\$5,820,414	\$5,513	\$971,391	\$0	\$8,948,048
<b>Total \$</b>	<b>\$13,020,652</b>	<b>\$1,926,654</b>	<b>\$14,947,306</b>	<b>\$6,077,659</b>	<b>\$12,489</b>	<b>\$971,391</b>	<b>\$0</b>	<b>\$22,008,845</b>

Direct %	8.08%	1.23%	9.31%	0.19%	0.01%	0.00%	0.00%	9.50%
Subcontracting %	1.39%	0.17%	1.56%	4.23%	0.00%	0.71%	0.00%	6.51%
<b>Total %</b>	<b>9.47%</b>	<b>1.40%</b>	<b>10.87%</b>	<b>4.42%</b>	<b>0.01%</b>	<b>0.71%</b>	<b>0.00%</b>	<b>16.00%</b>

**Net Procurement\*\***                      **\$137,515,977**

NOTE: \*FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\*NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 % - PERCENTAGE OF NET PROCUREMENT  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT





## 9.1.6

# A List of WMDVLGBTBE Complaints Received and Current Status

San Jose Water Company • G.O. #156 Sec. 9.1.6

SJWC did not receive any formal complaints about the USDP program in 2016.



## 9.1.7

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

### Summary of Purchases and/or Contracts in Excluded Categories

The Net Procurement shown in section 9.1.2 reflects the Total Procurement minus “Non-Inclusions,” which includes the total of payments made in the categories of Purchased Water, Purchased Power, and Groundwater Extraction Fees (pump taxes). Other categories subject to non-inclusion include: Other Utilities, Taxes, Franchise Fees, and Postage that have not been included in the Gross Procurement.

This procurement reporting for water companies results from workshops convened by the CPUC’s USDP Staff, pursuant to Ordering Paragraph No. 4 of D.11-05-019 (in R.09-07-027), and subsequent additional discussions, in order for the Staff and utilities to reach a common understanding of what is to be reported as a result of the amendments to General Order 156 and to address and resolve any issues related to the adoption of the water companies’ procurement reporting requirements under General Order 156.

### Diverse Suppliers in Underutilized Areas

During 2016, SJWC worked to increase diverse spending in areas where such supplier utilization has traditionally been low. As a result, SJWC increased diverse spend in the following categories:

- Prime Supplier subcontracting participation to diverse companies increased by \$3M (49%), compared to 2015 results, totaling nearly \$9M
- Dollars spent with Minority Owned Businesses increased by 14%
- Women Business Enterprise spend increased by 11%
- Disabled Veteran Owned Business spend increased by 125%
- Lesbian, Gay, Bisexual, and Transgendered Business Enterprise spend increased by \$13K, a category previously unreported



## 9.1.11

# WMDVLGBTBE Fuel Procurement

San Jose Water Company • G.O. #156 Sec. 9.1.11

Not applicable



# 2017 Annual Plan

## 10.1.1

### WMDVLGBTBE Annual SHORT, MID, and LONG-TERM Goals by Product and Service Category

**San Jose Water Company • G.O. #156 Sec. 10.1.1, 10.1.1**

Category	2016 Results	Short Term Goals	Mid Term Goals	Long Term Goals
Minority Men	9.47%	7.50%	7.50%	7.50%
Minority Women	1.40%	7.50%	7.50%	7.50%
Minority Business Enterprise (MBE)	10.87%	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	4.42%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.01%	0.50%	0.50%	0.50%
Disabled Veteran Business (DVBE)	0.71%	1.50%	1.50%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>16.01%</b>	<b>22.00%</b>	<b>22.00%</b>	<b>22.00%</b>

% - PERCENTAGE OF NET PROCUREMENT

Short, Mid-term, and Long-term goals are identified at the level called out by GO 156 and are subject to change year over year. Although breaking down goals by SIC code is not practical, SJWC has shown a consistent profile of nearly 50% of its spend in the construction, engineering, and construction services categories. For a detailed view of current and future purchase profiles by SIC code, please refer to tables contained within section 9.1.2.





## 10.1.2

# Description of WMDVLGBTBE Planned Program Activities for the Next Calendar Year

San Jose Water Company • G.O. #156 Sec. 9.1.2

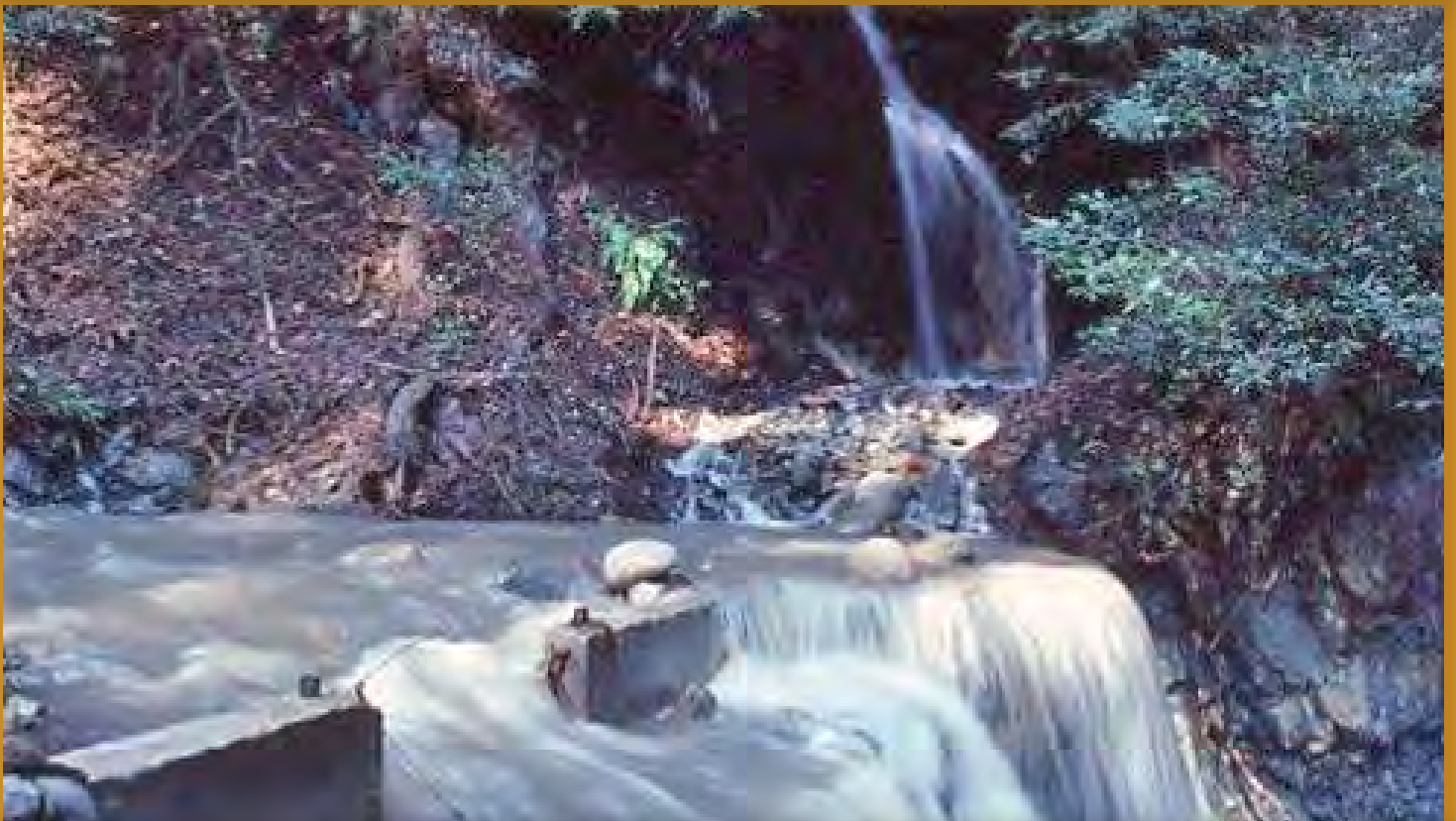
### Internal Activities:

- Continue focus necessary to obtain the CPUC goal of 21.5% spend with diverse businesses and the associated sub goals for minority, women, DVBE, and LGBT spend.
- Full roll out of our V.A.L.O.R. program, focusing on increasing the number of DVBE's within the supply chain.
- Update our website to reflect changes in processes and systems.
- Modifications of SJWC's ERP systems to more efficiently capture and report supplier diversity data.
- Purchase and implementation of new supplier diversity system software, resulting in updated registration, tracking, and reporting of supplier diversity metrics.
- Increase visibility of procurement opportunities earlier in the purchasing process.
- Work with supplier diversity champions to provide diverse business request for proposal participation.
- Identify suppliers in low utilization areas and seek means to include diverse businesses in these opportunities.
- SJWC will continue its efforts to implement supplier diversity reporting tools that will support the efforts of providing detailed program progress on a quarterly basis.
- Continued focus on the Ambassador Program, identifying and training internal personnel to represent SJWC at various supplier diversity events throughout the year.

# San Jose Water Company

## External Activities:

- In compliance with Ordering Paragraph No. 4 of CPUC D.11-05-019 (in R.09-07-027), SJWC will continue to work closely with CWA and its members to participate in the Tier 1 capacity building and technical assistance programs.
- In 2017, SJWC will continue to work with CWA and its member companies to host Business Opportunity Fair meetings, encouraging prime suppliers to increase sub-contracting participation.
- SJWC forms relationships with suppliers and will sponsor diverse business attendance at events that are designed to educate suppliers on doing business with utilities and provide direction and instruction on increasing the probability of working with all CPUC utilities.
- SJWC will continue to participate in and attend a variety of outreach activities with various CBO tradeshows, conferences, and matchmakers.
- Continue small and diverse business outreach as President of the Industry Council for Small Business Development (ICSBD) for the term beginning January 1, 2017.
- Continued service on the Institute of Supply Management's (ISM) Diversity Committee.
- Continue as representative on the Disabled Veteran Business Alliance Advisory Council.
- Member of the National Utility Diversity Council's (NUDC) "Back to Brooklyn" Advisory Council.





### 10.1.3

## Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

San Jose Water Company • G.O. #156 Sec. 10.1.3

SJWC will focus on increased communication and partnerships with local organizations in the following categories:

- Minority Owned Businesses
- Woman Owned Business
- Disabled Veteran Owned Businesses
- Gay, Lesbian, Bisexual, and Transgendered Owned Businesses

We will continue to participate in outreach to Community Business Organizations (CBO's) through matchmaking, panels, technical assistance, and mentoring, including but not limited to organizations found in section 9.1.1.

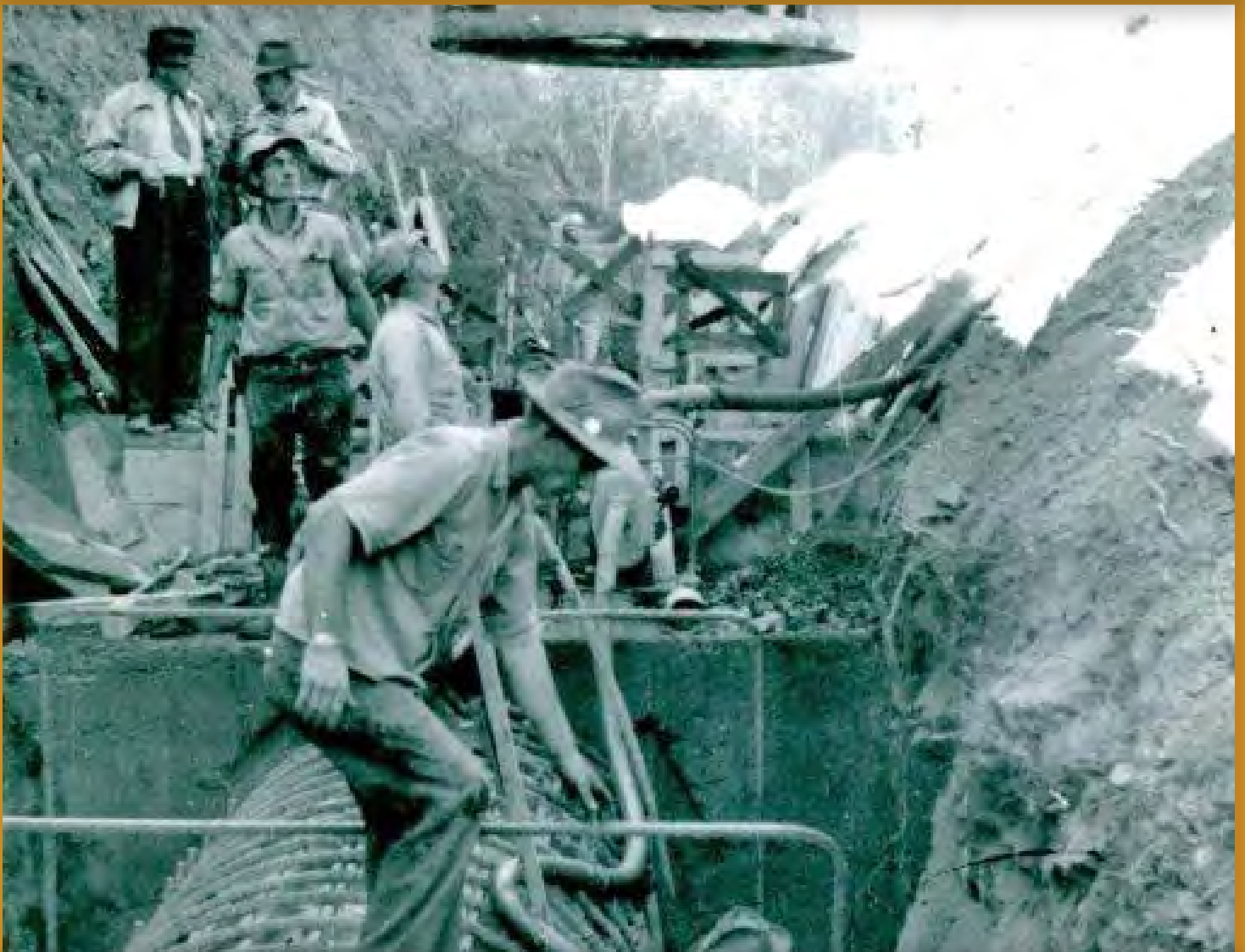


## 10.1.4

# Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

San Jose Water Company • G.O. #156 Sec. 10.1.4

SJWC's primary focus is on recruiting diverse suppliers in categories where diverse suppliers are available. However, we remain open to identifying diverse suppliers in categories that have historically shown few, if any diverse suppliers. The method of outreach will remain the same as outlined in section 10.1.3.







## 10.1.5

# Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

San Jose Water Company • G.O. #156 Sec. 10.1.5

SJWC understands the importance of increasing diverse spend, utilizing prime contractors as an extended participant of the USDP. As a result of focused outreach and partnership with prime suppliers, SJWC will continue to hold prime supplier contractor meetings and matchmaking events to increase sub-contracting opportunities with SJWC's largest prime suppliers. SJWC will set targets and provide tools such as on-line subcontracting reporting necessary for our prime suppliers to actively participate and achieve such goals.

In addition, SJWC Supplier Diversity will hold periodic training sessions with prime suppliers making up the top 80% of 2016 spend, emphasizing the prime supplier role and expectations regarding subcontracting.



## 10.1.6

# Plans for Complying with WMDVLGBTBE Program Guidelines

San Jose Water Company • G.O. #156 Sec. 10.1.6

SJWC will comply with all provisions and revisions of General Order 156. SJWC works cooperatively with the Commission and its staff in the implementation of program objectives.

The USDP Program Manager will continue to pro-actively work with USDP Champions to review, streamline, and improve policies that implement department goals and contract language to include diverse suppliers in capital projects.

### **Objective #1 - Compliance with GO 156 - Reporting**

Continued enhancements to reporting tools and online sub-contracting reporting will improve company-wide visibility and awareness in areas of procurement focus. Continuous improvement will increase SJWC's ability to monitor program progress as well as verify certification eligibility and improve USDP program participation in all business areas.





## GO 156 Section 1.3 Definitions\*\*

TERM	Definition	Acronym	Certification
Minority-Owned Business Enterprises	Minority-owned business means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51 % of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined in the GO 156.	MBE	Supplier Clearinghouse
Woman-Owned Business Enterprises	Women-owned business means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.	WBE	Supplier Clearinghouse
Women, Minority-Owned Business Enterprises	WMBE means a women-owned and/or minority-owned business enterprise.	WMBE	Supplier Clearinghouse
Lesbian, Gay, Bisexual, Transgender (LGBT) Business Enterprise	LGBT-owned business means (1) a business enterprise (a) that is at least 51% owned by a lesbian, gay, bisexual, or transgender person or persons or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more lesbian, gay, bisexual, or transgender persons; and (2) whose management and daily business operations are controlled by one or more of those individuals.	LGBTBE	Supplier Clearinghouse
Women, Minority, and/or LGBT-Owned Business Enterprises	WMLGBTBE means a women-owned, minority-owned and/or LGBT-owned business enterprise. Under these rules, a woman, a minority and/or an LGBT person owning such an enterprise must be either U.S. citizens or legal aliens with permanent residence status in the United States.	WMLGBTBE	Supplier Clearinghouse
Disabled Veteran-Owned Business Enterprises	Disabled Veteran-owned Business (1) is a sole proprietorship at least 51% owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51% of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51% of the joint venture's management and control and earnings are held by one or more disabled veterans. (2) the management and control of the daily business operations are by one or more disabled veterans. And (3) it is a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business. Disabled veteran refers to a veteran of the military, naval or air service of the United States with a service-connected disability and who is a resident of the State of California.	DVBE	DGS
Asian Pacific American	Asian Pacific Americans-persons having origins in Asia or the Indian subcontinent, including, but not limited to, persons from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, India, Pakistan, and Bangladesh.	MBE	Supplier Clearinghouse
African American	Black Americans-persons having origins in any black racial groups of Africa.	MBE	Supplier Clearinghouse
Hispanic American	Hispanic Americans-all persons of Mexican, Puerto Rican, Cuban, South or Central American, Caribbean, and other Spanish culture or origin.	MBE	Supplier Clearinghouse
Native American	Native Americans-persons having origin in any of the original peoples of North America or the Hawaiian Islands, in particular, American Indians, Eskimos, Aleuts, and Native Hawaiians.	MBE	Supplier Clearinghouse
Other 8(a)	Other groups, or individuals, found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of Small Business Act as amended (15 U.S.C. 637(a)), or the Secretary of Commerce pursuant to Section 5 of Executive Order 11625. May include non-WMDVLGBTBEs firms.	8(a)	U.S. Small Business Administration
Subcontracting	"Subcontract' means any agreement or arrangement between a contractor and any party or person (in which the parties do not stand in the relationship of an employer and an employee): 1. For the furnishing of supplies or services for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts; or 2. Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.	Tier 2 (Tier 3, etc. when applicable)	Supplier Clearinghouse, DGS & U.S. Small Business Administration

\*\* These definitions are not proposed amendments to Section 1.3 of GO 156. The purpose of these definitions is to provide convenient reference in preparing GO 156 reports.

A central graphic showing five hands of different skin tones holding a circular splash of water. The water splash is dynamic, with droplets and ripples, forming a ring around the central text.

150<sup>th</sup>  
*Anniversary*

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