



March 1, 2024

Timothy O. McLaughlin, CPSD  
Director of Supplier Diversity  
110 W. Taylor Street  
San Jose, California 95110  
[timothy.mclaughlin@sjwater.com](mailto:timothy.mclaughlin@sjwater.com)  
408-512-4760

Ms. Rachel Peterson  
Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue, Room 5222  
San Francisco, CA 94102-3298

Dear Ms. Peterson:

Please find attached an electronic copy of San Jose Water's 2023 Supplier Diversity Annual Report and 2024 Annual Plan. This describes procurement activities with Women, Minority, Disabled Veteran, Lesbian, Gay, Bisexual, and Transgendered Enterprises and Persons with Disabilities Business Enterprises, pursuant to General Order 156.

Should you have any questions, please feel free to contact me at 408-512-4760

Sincerely,

A handwritten signature in blue ink that reads 'Timothy O. McLaughlin'.

Timothy O. McLaughlin, CPSD  
Director of Supplier Diversity

cc: John Tang, VP of Regulatory Affairs and Customer  
Service

Attachment



SAN JOSE WATER



(U-168-W)

**Utility Supplier Diversity Report to the California Public Utilities Commission**

**Women, Minority, Disabled Veteran, Lesbian, Gay, Bisexual, Transgendered**

**and Persons with Disabilities Business Enterprise Procurement**

**2023 Supplier Diversity Report and 2024 Plan**

**Prepared by: Timothy O. McLaughlin, CPSD**

**Director of Supplier Diversity**

**In response to CPUC General Order 156**

## 2023 Utility Supplier Diversity Program Report

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**Letter from our Chief Executive Officer**

San Jose Water (SJW) achieved notable success in 2023, upholding its steadfast dedication to delivering high quality drinking water and service reliability to customers. Central to our strategic foundation is a keen focus on serving customers and enhancing the well-being of the communities where we operate. The commitment extends to leadership in Environmental, Social, and Governance (ESG) realms, encompassing environmental and social justice, resilience building, environmental stewardship, and supplier responsibility.

A pivotal facet of our strategy is the unwavering commitment to supplier diversity, a commitment that yielded commendable results. The SJW 2023 Supplier Diversity Report and 2024 Annual Plan, now submitted to the California Public Utilities Commission (CPUC), showcase our determination to foster resilient communities and diversify our supply chain.

Noteworthy progress was evident in supplier diversity, marking continued diverse spend growth in several areas. Diverse spend reached \$54.4 million, constituting an impressive 34.9% of addressable spend. SJW also surpassed CPUC sub-goals for minority-owned (27.7%) women-owned (5.5%) and disabled veteran-owned (1.7%) spend.

Looking ahead to 2024, our commitment to diversity, equity, and inclusion will continue to intensify. The evolution of our supplier diversity program will involve cultivating stronger ties with diverse suppliers, including a particular focus on increasing involvement with the LGBT community in our supply chain.

Reflecting on our achievements in 2023, I am proud of SJW's progress and confident in our ability to make substantial strides in 2024. Our resolute commitment to supplier diversity positions us as a frontrunner in the field, and we remain dedicated to leading in this crucial area. We appreciate the opportunity to present this report and look forward to continued success.

A handwritten signature in blue ink, appearing to read "Eric Thornburg". The signature is stylized and fluid.

Eric Thornburg - CEO  
San Jose Water

## 2023 Utility Supplier Diversity Program Report

This filing is in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156 and contains the 2023 Annual Report and the 2024 Annual Plan of SJWs Utility Supplier Diversity Program (USDSP). The annual report describes the program activities and results achieved by SJW for the period of January 1, 2023 through December 31, 2023.

## 2023 Utility Supplier Diversity Program Report

**2023 Annual Report - Summary of Program and Highlights**

SJW is proud to report that its commitment to the CPUC's Utility Supplier Diversity Program has continued to progress and deliver outstanding results in 2023. Through intentional focus on the supplier diversity program, including executive leadership, corporate KPIs tied to supplier diversity, the Corporate Leadership Committee Supplier Diversity Team, and the Prime Supplier Program, SJW has exceeded the CPUC's diverse spend goal of 22.5% with a diverse business utilization percentage of 34.9%. These results demonstrate the company's commitment to providing access and opportunity to diverse businesses and supporting the diverse communities it serves.

Our total addressable spend increased by 21%, from \$129M to \$156M, representing a significant spend increase when compared to other years. SJW total spend with diverse suppliers increased by 18%, from \$46M to \$54.4M, keeping pace with our overall spend growth. Direct and subcontracting spend with diverse companies increased by 18% representing consistent and balanced growth, with direct spending increasing from \$38.1M to \$45.1M and subcontracting spend increasing from \$7.9M to \$9.3M.

Total minority (MBE) spend increased 20% from \$35.9M to \$43.2M while our women-owned (WBE) spend increased by 31% from \$6.5M to \$8.5M. In addition, SJW expanded the number of direct diverse suppliers by 18%, from 44 suppliers to 52 suppliers and the total number of diverse suppliers within our supply chain grew by 6%, from 63 suppliers to 67 suppliers.

In addition to exceeding the CPUC diverse spend goal of 22.5%, we are very pleased to report that we exceeded three of the CPUC sub-goals:

- MBE spend was \$35.9M, representing 27.7% of our 2023 addressable spend;
- WBE spend was \$6.5M, representing 5.5% of our 2023 addressable spend; and,
- DVBE spend was \$3.3M, representing 1.7% of our 2023 addressable spend.

LGBT spend continued to be a challenge in 2023 and remains an area of focus in our 2024 supplier diversity plan.

## 2023 Utility Supplier Diversity Program Report

The positive results outlined in 2023 continue to be possible through intentional focus on our supplier diversity program in the following areas:

- **Executive leadership:** From our CEO, through the Executive Leadership Team (ELT) and all management, the importance of supplier diversity remains a priority. The company culture continues to shift through this enhanced focus on supplier diversity. There continues to be a significant increase in inquiries for diverse suppliers who's capabilities match internal opportunities.
- **Corporate KPI's:** The continued use of a corporate KPI for supplier diversity helps to drive supplier diversity. All corporate KPIs, including those for supplier diversity, are tied to employee objectives and the resulting employee compensation. This is a best practice within the supplier diversity industry.
- **Corporate Leadership Committee (CLC):** CLC teams are set up each year to support various KPIs within the company. A Supplier Diversity CLC team is identified in order to focus on specific supplier diversity goals within each SJW Group location including SJW, Connecticut Water, Maine Water and SJWTX. This cross-functional team has helped to advance the supplier diversity strategy at SJW and all companies within SJW Group.
- **Prime Supplier Program:** The Prime Supplier Program continues to be an integral part of the SJW supplier diversity strategy. In 2023 there were 9 prime suppliers that contributed \$9.3M of diverse subcontracting, representing over 17% of SJWs overall supplier diversity results.

SJW continues its active participation in the CWA USDP. Under the CWA USDP, we have maintained our Technical Assistance Program (TAP), Meet the Primes Program and supported numerous Community Business Organizations (CBOs) through participation in and/or sponsorship of events throughout California.

## SJW's 2023 USDP Highlights

### SJW 2023 Achievements:

- Spend percentage with diverse suppliers kept pace with our significant addressable spend increase in 2023 resulting in an overall spend percentage of 34.9%, far exceeding the CPUC goal of 22.5%.
- Spend percentage to MBEs also kept pace with our 2023 growth by achieving 27.7% in 2023, far exceeding the CPUC goal of 15%.
- Spend percentage to WBEs outpaced our addressable spend growth by growing from 5.1% in 2022 to 5.5% in 2023, exceeding the CPUC goal of 5%.
- Spend percentage to DVBEs was at 1.7% in 2023, exceeding the CPUC goal of 1.5%.
- For the fourth consecutive year, SJW exceeded CPUC goals in the categories of overall spend (22.5%), MBE spend (15%), WBE spend (5%) and DVBE spend (1.5%).
- Overall spend with diverse suppliers increased from \$46.0M in 2022 to \$54.4M in 2023, representing a 18% increase.
- Direct spend with diverse vendors increased from \$38.1M in 2022 to \$45.1M in 2023, representing a 18% increase.
- Total MBE spend increased from \$35.9M in 2022 to \$43.2M in 2023, representing a 20% increase.
- Total WBE spend increased from \$6.5M in 2022 to \$8.5M in 2023, representing a 31% increase.



## 2023 Utility Supplier Diversity Program Report

**Historical Statistics / Trends:**

Program Baseline Statistics			'22 to '23
	2022	2023	Change
Total procurement spend:	\$348	\$380	9%
Total addressable spend:	\$129M	\$156	21%
Overall spend with diverse suppliers:	\$46.0M	\$54.4	18%
Direct spend with diverse suppliers:	\$38.1M	\$45.1	18%
Prime Supplier Program, subcontracting with diverse suppliers:	\$7.9M	\$9.3	18%
Total Minority Business Enterprise (MBE) Spend:	35.9M	\$43.2	20%
Total Women Business Enterprise (WBE) Spend:	\$6.5M	\$8.5	31%
Total Disabled Veteran Business Enterprise (DVBE) Spend:	\$3.3M	\$2.7	-18%
Total Lesbian, Gay, Bisexual, Transgendered Business Enterprise Spend (LGBTBE) Spend:	\$12.5K	\$0.0	-
Total number of diverse suppliers within the SJWC supplier diversity program:	63	67	6%
Number of diverse suppliers doing business directly with SJWC:	44	52	18%
Number of diverse suppliers doing business with SJWC through subcontracting:	25	20	-20%

## 2023 Utility Supplier Diversity Program Report

**9.1.1 Description of WMDVLGBTBE Program Activities during the Previous Calendar Year**

In 2023, notable transformations took place, marked by shifts in the post-pandemic business landscape, increased stability in the supply chain, and a growth trajectory in our overall expenditures. SJW adeptly navigated the evolving business climate, now prominently featuring a substantial remote work component. Overall spending witnessed a 9% upswing, paralleled by a notable 21% surge in our addressable spend.

Our diverse spend also saw an 18% increase, closely mirroring the growth in our addressable spend. Notably, the 2023 CPUC goals were elevated from 22.0% to 22.5%, with the LGBT goal ascending from 0.5% to 1.0%. We maintained our commitment to monitoring spend with Persons with Disabilities Business Enterprises. Additionally, Community Business Organization underwent a transition in 2023, incorporating a balance of in-person, hybrid, and virtual events. These dynamics demanded resilience and steadfastness in our organization's approach to supplier diversity.

SJW persistently underscores the significance of supplier diversity as a corporate Key Performance Indicator (KPI). As an integral facet of our corporate strategy, SJW remains dedicated to addressing Environmental, Social, and Governance (ESG) issues. This encompasses objectives such as reducing carbon emissions, ensuring the safety of individuals, promoting environmental stewardship, and advocating for supplier diversity.

The enduring mission of SJW remains: To be trusted, passionate, and socially responsible professionals delivering exceptional quality water and service to customers and communities, while safeguarding the environment and ensuring a fair return to shareholders. Our focus on core values and strategic building blocks remains unwavering as we cater to the needs of our stakeholders.

SJW Core Values

Teamwork and Respect  
 Straight Talk and Transparency  
 Integrity and Trust  
 Service and Compassion

SJW Strategic Building Blocks

Customers  
 Community  
 Employees  
 Environment  
 Shareholders

Throughout 2023, our commitment to the Corporate Leadership Council (CLC) Program persisted, with a dedicated team enhancing Supplier Diversity programs across sister utilities in Texas, Maine, and Connecticut. SJW actively promoted diverse supplier registration through our third-party system,

## 2023 Utility Supplier Diversity Program Report

Avisare Corp., an African-American Women-Owned Business. This platform enabled registrants to gain visibility not only with SJW but also with other corporations and organizations utilizing the same system.

**Internal Activities:**

On October 3<sup>rd</sup> of 2023, SJW completed the CPUC Supplier Diversity Program Performance audit of our 2021 CPUC Annual Report and Plan, covering results from January 1<sup>st</sup> 2021, to December 31<sup>st</sup> 2021. The CPUC indicated that SJW results were generally reported accurately, properly reported, and in compliance with GO 156 requirements and guidance. There were 4 findings within the CPUC audit report, two of which were minor incidents of over-reporting and two instances of misclassification of reported spend. The CPUC audit recommendation for each finding was to strengthen SJW monitoring and review procedures over its reporting process. As a result of the audit, SJW contracted with Astute Tax and Accounting Services, a minority and woman owned business, to perform the following:

- Participate in the creation of the 2023 CPUC Annual Report and 2024 Plan
- Document the current supplier diversity process with emphasis on CPUC reporting
- Identify process gaps and suggest process improvements
- Document new process as process improvements are implemented
- Take part in the monitoring and review procedure for current and future CPUC reports

Additional items of focus for 2023 included:

- Persistent emphasis on language in Requests for Proposals (RFPs), contracts, Purchase Orders (POs), and associated documents, mandating prime contractors to achieve a 25% diverse subcontracting goal.
- Ongoing inclusion of supplier diversity as a crucial component in the RFP scoring process. This scoring system, implemented in 2021 for various RFPs, including those related to pipeline construction bids, remains a pivotal aspect of our approach.
- Collaborative efforts by local representatives from SJW with our central procurement group within the SJW Group, striking a balance between SJW Group's overall needs and the localized supplier diversity strategy. The construction/engineering group at SJW devised an innovative strategy that contributed to maintaining diverse spending within that specific business unit.
- Continuous endeavors to integrate the supplier diversity strategy into the SJW Advanced Metering Infrastructure (AMI) project. SJW witnessed increased diverse spending in the AMI domain, indicating progress in implementing the supplier diversity strategy in this area.

## 2023 Utility Supplier Diversity Program Report

**External Activities:**

SJW's Director of Supplier Diversity, held the following leadership positions in 2023:

- Advisory Council for The Diversity Advisors.
- Board of Directors for the Women's Business Enterprise Council (WBEC) – Pacific.
- Board Chair for the United States Pan Asian American Chamber of Commerce (USPAACC) – Western Region

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

SJW actively extends the company's outreach initiatives by engaging in Community Business Organization (CBO) events that involve collaborations with Diverse Business Enterprises (DBEs), at the local level, across the State of California and nationally. Establishing and nurturing relationships, as well as comprehending the unique needs and capabilities of each CBO, remains a pivotal factor for success in enhancing diverse spending at SJW. Furthermore, SJW collaborates with fellow members of the California Water Association (CWA) as part of the CWA USDP committee. Representing the CWA USDP, SJW frequently participates in diverse events such as CBO gatherings, tradeshows, and matchmaking events. The Director of Supplier Diversity at SJW actively contributes to these events, either through financial support or by attending, serving as a panelist, or presenting valuable insights. Noteworthy organizations SJW engages with include:

- American Indian Chamber of Commerce (AICOC)
- CPUC (Small Business Expos)
- Disabled Veteran Business Alliance (DVBA)
- Elite Service Disabled Veteran Owned Business (SDVOB) Network
- Golden Gate Business Association (GGBA)
- Industry Council for Small Business Development (ICSBD)
- National Gay & Lesbian Chamber of Commerce (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- National Utility Diversity Council (NUDC)
- Rainbow Chamber of Commerce Silicon Valley
- Silicon Valley Black Chamber of Commerce
- Silicon Valley Hispanic Chamber of Commerce
- Southern California Minority Supplier Development Council (SMSDC)
- The National Center for Native American Enterprise Development (NCAIED)
- Veterans in Business (VIB) Network
- Western Regional Minority Supplier Development Council (WRMSDC)
- Women's Business Enterprise Council – Pacific (WBEC-Pacific)
- Women's Business Enterprise Council - West (WBEC-West)
- Women's Business Enterprise National Council (WBENC)

SJW's Director of Supplier Diversity is also participant in the CPUC joint utilities organization.

## 2023 Utility Supplier Diversity Program Report

## 9.1.2 WMDVLGBTBE Annual Results by Ethnicity

				2023			
				Direct Spend <sup>1</sup> \$	Sub Spend <sup>2</sup> \$	Total \$	%
1	Minority Male	African American		\$ 20,000	\$ -	\$ 20,000	0.01%
2		Asian Pacific American		\$ 456,604	\$ 94,560	\$ 551,164	0.35%
3		Hispanic American		\$ 29,500,260	\$ 2,326,723	\$ 31,826,983	20.42%
4		Native American		\$ -	\$ -	\$ -	0.00%
5		<b>Total Minority Male</b>		<b>\$ 29,976,864</b>	<b>\$ 2,421,283</b>	<b>\$ 32,398,147</b>	<b>20.79%</b>
6	Minority Female	African American		\$ 20,228	\$ 1,210	\$ 21,438	0.01%
7		Asian Pacific American		\$ 2,727,063	\$ 1,660,734	\$ 4,387,797	2.82%
8		Hispanic American		\$ 6,340,501	\$ 58,592	\$ 6,399,093	4.11%
9		Native American		\$ -	\$ -	\$ -	0.00%
10		<b>Total Minority Female</b>		<b>\$ 9,087,792</b>	<b>\$ 1,720,536</b>	<b>\$ 10,808,328</b>	<b>6.93%</b>
11	Total Minority Business Enterprise (MBE)			\$ 39,064,656	\$ 4,141,819	\$ 43,206,475	27.72%
12	Women Business Enterprise (WBE)			\$ 4,834,135	\$ 3,668,175	\$ 8,502,310	5.46%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)			\$ -	\$ -	\$ -	0.00%
14	Disabled Veteran Business Enterprise (DVBE)			\$ 1,237,308	\$ 1,440,983	\$ 2,678,291	1.72%
15	Persons with Disabilities Business Enterprise (PDBE)				\$ 1,932	\$ 1,932	0.00%
16	8(a)*			\$ -	\$ -	\$ -	0.00%
17	<b>Total Supplier Diversity Spend</b>			<b>\$ 45,136,099</b>	<b>\$ 9,252,909</b>	<b>\$ 54,389,008</b>	<b>34.90%</b>
18	Net Procurement**			\$ 155,853,952			
<b>NOTES:</b>							
* 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBPDDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).							
** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.							
<sup>1</sup> Direct - Means Direct Procurement: when a utility directly procures from a supplier.							
<sup>2</sup> Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).							
% - Percentage of Net Procurement.							
Totals may not add due to rounding.							

2023 Utility Supplier Diversity Program Report

9.1.2 WMDVLGBTBE Direct Procurement by Product and Service Categories

				2023					
				Product		Service		Total	
				\$	%	\$	%	\$	%
1	Minority Male	African American	Direct	\$ -	0.00%	\$ 20,000	0.01%	\$ 20,000	0.01%
2		Asian Pacific American	Direct	\$ -	0.00%	\$ 456,604	0.29%	\$ 456,604	0.29%
3		Hispanic American	Direct	\$ 7,618	0.00%	\$ 29,492,642	18.92%	\$ 29,500,260	18.93%
4		Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
5		<b>Total Minority Male</b>	Direct	<b>\$ 7,618</b>	<b>0.00%</b>	<b>\$ 29,969,246</b>	<b>19.23%</b>	<b>\$ 29,976,864</b>	<b>19.23%</b>
6	Minority Female	African American	Direct	\$ 20,227	0.01%	\$ -	0.00%	\$ 20,227	0.01%
7		Asian Pacific American	Direct	\$ 29,245	0.02%	\$ 2,697,818	1.73%	\$ 2,727,063	1.75%
8		Hispanic American	Direct	\$ 6,134,877	3.94%	\$ 205,624	0.13%	\$ 6,340,501	4.07%
9		Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		<b>Total Minority Female</b>	Direct	<b>\$ 6,184,349</b>	<b>3.97%</b>	<b>\$ 2,903,442</b>	<b>1.86%</b>	<b>\$ 9,087,791</b>	<b>5.83%</b>
11	Total Minority Business Enterprise (MBE)		Direct	<b>\$ 6,191,967</b>	<b>3.97%</b>	<b>\$ 32,872,688</b>	<b>21.09%</b>	<b>\$ 39,064,655</b>	<b>25.06%</b>
12	Women Business Enterprise (WBE)		Direct	<b>\$ 2,012,374</b>	<b>1.29%</b>	<b>\$ 2,821,761</b>	<b>1.81%</b>	<b>\$ 4,834,135</b>	<b>3.10%</b>
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Direct		0.00%	\$ 1,237,308	0.79%	\$ 1,237,308	0.79%
15	Persons with Disabilities Business Enterprise (DBE)		Direct	\$ -	0.00%		0.00%	\$ -	0.00%
16	8(a)*		Direct		0.00%	\$ -	0.00%	\$ -	0.00%
17	<b>Total Supplier Diversity Spend</b>		Direct	<b>\$ 8,204,341</b>	<b>5.26%</b>	<b>\$ 36,931,757</b>	<b>23.70%</b>	<b>\$ 45,136,098</b>	<b>28.96%</b>
18	Net Procurement**			\$		155,853,952			
19	Net Product Procurement			\$		8,204,341			
20	Net Service Procurement			\$		36,931,757			
21	Total Number of Diverse Suppliers that Received Direct Spend			\$		52			
<b>NOTES:</b>									
* 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).									
** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.									
1 Direct - Means Direct Procurement: when a utility directly procures from a supplier.									
2 Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfil its contractual obligation(s).									
% - Percentage of Net Procurement.									
Totals may not add due to rounding.									

2023 Utility Supplier Diversity Program Report

9.1.2 WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

				2023					
				Product		Service		Total	
				\$	%	\$	%	\$	%
1	Minority Male	African American	Sub		0.00%		0.00%	\$ -	0.00%
2		Asian Pacific American	Sub		0.00%	\$ 94,560	0.06%	\$ 94,560	0.06%
3		Hispanic American	Sub		0.00%	\$ 2,326,723	1.49%	\$ 2,326,723	1.49%
4		Native American	Sub		0.00%	\$ -	0.00%	\$ -	0.00%
5		<b>Total Minority Male</b>	Sub		\$ -	<b>0.00%</b>	<b>\$ 2,421,283</b>	<b>1.55%</b>	<b>\$ 2,421,283</b>
6	Minority Female	African American	Sub	\$ 1,210	0.00%		0.00%	\$ 1,210	0.00%
7		Asian Pacific American	Sub		0.00%	1660734	1.07%	\$ -	0.00%
8		Hispanic American	Sub	\$ 58,592	0.04%		0.00%	\$ 58,592	0.04%
9		Native American	Sub		0.00%		0.00%	\$ -	0.00%
10		<b>Total Minority Female</b>	Sub		<b>\$ 59,802</b>	<b>0.04%</b>	<b>\$ 1,660,734</b>	<b>1.07%</b>	<b>\$ 1,720,536</b>
11 Total Minority Business Enterprise (MBE)			Sub						
			Sub						
12 Women Business Enterprise (WBE)			Sub	\$ 1,034,701	0.66%	\$ 2,633,474	1.69%	\$ 3,668,175	2.35%
			Sub						
13 Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)			Sub	\$ -	0.00%		0.00%	\$ -	0.00%
			Sub						
14 Disabled Veteran Business Enterprise (DVBE)			Sub	\$ 333,868	0.21%	\$ 1,107,115	0.71%	\$ 1,440,983	0.92%
			Sub						
15 Persons with Disabilities Business Enterprise (DBE)			Sub	\$ 1,932	0.00%		0.00%	\$ 1,932	0.00%
			Sub						
16 8(a)*			Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
			Sub						
17 Total Supplier Diversity Spend			Sub	\$ 1,430,303	0.92%	\$ 7,822,606	5.02%	\$ 9,252,909	5.94%
18 Net Procurement**			\$			155,853,952			
19 Net Product Procurement			\$			1,430,303			
20 Net Service Procurement			\$			7,822,606			
<p><b>NOTES:</b></p> <p>* 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).</p> <p>** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.</p> <p><sup>1</sup> Direct - Means Direct Procurement: when a utility directly procures from a supplier.</p> <p><sup>2</sup> Sub - Means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfil its contractual obligation(s).</p> <p>% - Percentage of Net Procurement.</p> <p>Totals may not add due to rounding.</p>									

2023 Utility Supplier Diversity Program Report

9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories

SIC Code	African American		Asian Pacific 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)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total Supplier Diversity Spend	Total Procurement
	Male	Female	Male	Female	Male	Female	Male	Female								
7									0						\$ 185,057	0
									0.00%						\$ 0	0.12%
8									0						\$ 0	0
									0.00%						\$ 0	0.00%
13									0						\$ 6,478	6,478
									0.00%						\$ 0	0.00%
14									0						\$ 23,157	23,157
									0.00%						\$ 0	0.01%
15									0						\$ 5,087,258	5,087,258
									0.00%						\$ 3,269	3,269
16					\$ 28,769,714				\$ 28,769,714	0.00%		\$ 643,834			\$ 29,413,548	79,796,279
					18.46%				18.46%	0.00%	0.41%				\$ 18,837	18,837
17					\$ 98,682				\$ 98,682	0.00%					\$ 283,182	47,224
					0.00%				0.00%	0.00%					\$ 0	0.16%
22									0						\$ 0	0
									0.00%						\$ 0	0.04%
23									0						\$ 0	0
									0.00%						\$ 0	0.00%
25									0						\$ 0	0
									0.00%						\$ 0	0.00%
26									0						\$ 3,947	3,947
									0.00%						\$ 0	0.00%
27									0	\$ 383,791					\$ 383,791	410,226
									0.00%	0.25%					\$ 0.25%	0.26%
28					\$ 205,524				\$ 205,524	0.13%					\$ 205,524	368,723
					0.13%				0.13%	0.13%					\$ 0.13%	0.24%
29									0						\$ 56,302	56,302
									0.00%						\$ 0	0.04%
30									0						\$ 67,910	67,910
									0.00%						\$ 0	0.04%
32					\$ 331,799				\$ 331,799	0.21%					\$ 331,799	340,853
					0.00%				0.21%	0.21%					\$ 0.21%	0.22%
33									0						\$ 2,409	2,409
									0.00%						\$ 0	0.00%
34									0						\$ 280,916	280,916
									0.00%						\$ 0	0.17%
35									0	\$ 3,686					\$ 3,686	6,657,362
									0.00%	0.00%					\$ 0.00%	4.27%
36									0						\$ 289,158	289,158
									0.00%						\$ 0	0.17%
37									0						\$ 0	0
									0.00%						\$ 0	0.00%
38									0	\$ 988,504					\$ 988,504	3,274,405
									0.00%	0.63%					\$ 0.63%	2.10%
39					\$ 29,245				\$ 29,245	0.02%					\$ 29,245	174,982
					0.02%				0.02%	0.02%					\$ 0.02%	0.11%
42									0	\$ 371,431					\$ 371,431	647,321
									0.00%	0.24%					\$ 0.24%	0.42%
45									0						\$ 10,009	10,009
									0.00%						\$ 0	0.01%
47									0						\$ 0	0
									0.00%						\$ 0	0.00%
48									0						\$ 188,037	188,037
									0.00%						\$ 0	0.10%
49									0						\$ 203,284	203,284
									0.00%						\$ 0	0.13%
50					\$ 7,618	\$ 6,102,463			\$ 6,110,081	0.00%		\$ 552,076			\$ 7,675,750	8,241,369
					0.00%	0.00%			3.92%	0.65%	0.35%				\$ 4.92%	5.29%
51									0						\$ 1,047,502	1,047,502
									0.00%						\$ 0	0.67%
52									0						\$ 30,968	30,968
									0.00%						\$ 0	0.02%
53									0						\$ 1,947	1,947
									0.00%						\$ 0	0.00%
54									0						\$ 31,840	31,840
									0.00%						\$ 0	0.02%





2023 Utility Supplier Diversity Program Report

9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

Number of Diverse Suppliers Data														
Number of Diverse Suppliers	Revenue Reported to the Supplier Clearinghouse						Utility-Specific 2023 Summary							
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total
Under \$1 million	10	8	0	5	0	0	23	23	21	0	5	0	0	49
Under \$5 million	6	7	0	0	0	0	13	1	0	0	0	0	0	1
Under \$10 million	0	2	0	0	0	0	2	1	0	0	0	0	0	1
Above \$10 million	9	5	0	0	0	0	14	1	0	0	0	0	0	1
<b>Total</b>	<b>25</b>	<b>22</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>26</b>	<b>21</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>52</b>
Revenue and Payment Data														
Revenue of Diverse Suppliers	Revenue Reported to the Supplier Clearinghouse						Utility-Specific 2023 Summary							
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total
Under \$1 million	\$ 12,027,642	\$ 8,666,223	\$ -	\$ 1	\$ -	\$ -	\$ 20,693,866	\$ 2,786,683	\$ 3,834,135	\$ -	\$ 1,237,308	\$ -	\$ 7,858,126	
Under \$5 million	\$ 13,471,421	\$ 16,492,622	\$ -	\$ -	\$ -	\$ -	\$ 29,964,043	\$ 1,426,892	\$ -	\$ -	\$ -	\$ -	\$ 1,426,892	
Under \$10 million	\$ -	\$ 13,744,558	\$ -	\$ -	\$ -	\$ -	\$ 13,744,558	\$ 6,081,364	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 7,081,364	
Above \$10 million	\$ 11,036,729,651	\$ 137,967,926	\$ -	\$ -	\$ -	\$ -	\$ 11,174,697,577	\$ 28,769,714	\$ -	\$ -	\$ -	\$ -	\$ 28,769,714	
<b>Total</b>	<b>\$11,062,228,714</b>	<b>\$ 176,871,329</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,239,100,044</b>	<b>\$ 39,064,653</b>	<b>\$ 4,834,135</b>	<b>\$ -</b>	<b>\$ 1,237,308</b>	<b>\$ -</b>	<b>\$ 45,136,095</b>	
<b>NOTES:</b> * 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13). ** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars. Totals may not add due to rounding.														

## 2023 Utility Supplier Diversity Program Report

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

In 2023, SJW conducted business directly with 46 diverse companies headquartered\* in California with a total workforce of 1,816 employees and a total revenue of \$822M. The average revenue for a supplier within this dataset is \$17.9M. SJW spent \$35.9M with CA-based suppliers in 2023.

\*Information for this report was taken from the CPUC Clearinghouse database as of 12/31/2023. 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 part of the California workforce.

## 2023 Utility Supplier Diversity Program Report

**9.1.3 WMDVLGBTBE Program Expenses**

<b>Expense Category</b>	<b>Year (Actual)</b>
Wages	\$ 192,900
Other Employee Expenses	\$ -
Program Expenses	\$ 50,000
Reporting Expenses	\$ 5,000
Training Expenses	\$ -
Consultant Expenses	\$ 2,248
Other Expenses	\$ 29,177
<b>Total</b>	<b>\$ 279,325</b>

## 2023 Utility Supplier Diversity Program Report

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

SJWs diverse business utilization for 2023 was 34.9%, a 5.6 %, exceeding the 22.5% overall goal established by the CPUC. SJW also met the CPUC sub-goals for WBE, MBE and DVBE spend.

There were several factors that affected our ability to meet the above mentioned goals, including:

- There continues to be a significant amount of spend with our largest diverse construction supplier, Lewis & Tibbitts.
- Our overall addressable spend increased by 21% in 2023, while our diverse spend nearly kept pace, growing by 18% in 2023.
- In dollars spent we grew in all categories with exception of DVBE and LGBT.
- We experienced a significant increase in the number of direct diverse suppliers (18%) utilized and an increase in the total number of diverse suppliers within our supply chain (6%)
- SJW reached 5.5% WBE spend against a CPUC goal of 5%.
- Direct spend with diverse suppliers increased by 18%.
- Subcontracting spend through our prime supplier program increased by 18%
- Overall spend with diverse suppliers increased by 18%.
- 2023 marks the third consecutive year that a corporate KPI was established for Supplier Diversity. The Supplier Diversity KPI is part of several KPIs which tie our performance to compensation. This continues to strengthen SJWs commitment to our diverse community.

## 2023 Utility Supplier Diversity Program Report

## 9.1.4 WMDVLGBTBE Results and Goals

<b>Category</b>	<b>2023 Result %</b>	<b>2023 Goal %</b>
Minority Male Business Enterprise	20.8	7.5
Minority Female Business Enterprise	6.9	7.5
Minority Business Enterprise (MBE)	27.7	15
Women Business Enterprise (WBE)	5.5	5.0
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0	1
Disabled Veteran Business Enterprise (DVBE)	1.7	1.5
Persons with Disabilities Business Enterprise (DBE)	0	n/a
<b>Total</b>	<b>34.9</b>	<b>22.5</b>
<b>NOTE:</b>		
% - Percentage of Net Procurement.		

## 2023 Utility Supplier Diversity Program Report

**9.1.5 Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors**

In 2023, Prime Supplier subcontracting to diverse suppliers increased from \$7.9M in 2022 to \$9.3M in 2023, an increase of 18%. Prime Supplier subcontracting accounted for 6.0% of our overall results. The Supplier Diversity Director, Champions, and sourcing personnel continue to work with prime suppliers to increase utilization of diverse businesses. SJW encourages its prime suppliers to review their operations to identify areas suitable for diverse supplier participation.

**Prime Supplier Matchmaking Events**

SJW continued to collaborate with other CWA USDP members to sponsor and lead a Prime Supplier Matchmaking event which was held on June 14, 2023. Please see a more detailed Meet the Primes report summary, later in this document.

9.1.5 Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

San Jose Water		Report Year: 2023							GO 156 Section 9.1.5		
Summary of Prime Contractors Utilization of Diverse 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)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	Total Supplier Diversity Spend		
Direct \$	\$ 29,976,864	\$ 9,087,792	\$ 39,064,656	\$ 4,834,135	\$ -	\$ 1,237,308	\$ -	\$ -	\$ 45,136,099		
Sub \$	\$ 2,421,283	\$ 1,720,536	\$ 4,141,819	\$ 3,668,175	\$ -	\$ 1,440,983	\$ 1,932	\$ -	\$ 9,252,909		
<b>Total \$</b>	\$ 32,398,147	\$ 10,808,328	\$ 43,206,475	\$ 8,502,310	\$ -	\$ 2,678,291	\$ 1,932	\$ -	\$ 54,389,008		
Direct %	19.2%	5.8%	25.1%	3.1%	0.0%	0.8%	0.0%	0.0%	29.0%		
Sub %	1.6%	1.1%	2.7%	2.4%	0.0%	0.9%	0.0%	0.0%	5.9%		
<b>Total %</b>	<b>20.8%</b>	<b>6.9%</b>	<b>27.7%</b>	<b>5.5%</b>	<b>0.0%</b>	<b>1.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>34.9%</b>		
<b>Net Procurement **</b>	\$ 155,853,952										
<b>NOTES:</b>											
* 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).											
** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.											
Direct - Means Direct Procurement when a utility directly procures from a supplier.											
Sub - Means Subcontractor Procurement when a prime contractor, in contract with a utility, procures from a subcontractor to fulfil its contractual obligation(s).											
% - Percentage of Net Procurement.											
Totals may not add due to rounding.											



### **9.1.6 A List of WMDVLGBTBE Complaints Received and Current Status**

SJW did not receive any formal complaints about the USDP in 2023.

## 2023 Utility Supplier Diversity Program Report

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

Opportunities in these areas are limited, however, we are committed to identifying qualified diverse suppliers in the above areas, should an opportunity arise.

During 2023, SJW continued our focus to increase diverse spend in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs continue to focus on the following functional areas:

- Legal Services
- Financial Services
- Accounting

**9.1.8 Retention of all Documents / Data**

SJW has retained all documents and data necessary for the preparation of the Utility Supplier Diversity Report to the CPUC. Documents and data are retained for either the longer of 3 years or as per the requirement of the SJW document retention policies. Documents and data are available at the request of the CPUC.

**9.1.11 WMDVLGBTBE Fuel Procurement**

Not applicable.

## Capacity Building and Technical Assistance:



### CWA W.A.T.E.R. 1.0

At the California Water Association, we collaborate with diverse groups of vendors from across the state which leads to numerous benefits and ultimately improves services for rate payers.

The CWA Utility Supplier Diversity Program (USDP) is at the forefront of the extensive diverse vendor outreach. They host a variety of events throughout the year to connect vendors to opportunities and prepare them to meet with decision makers within the water industry.

One of the capacity building programs they offer is CWA W.A.T.E.R. 1.0 – *Water Acumen Training Entrepreneur Refinement*. Now in its fourth year, the highly-successful program convened 13 vendors who offered services that ranged from construction site brush clearing to water conservation enforcement to cybersecurity and data protection specialists.

In just three sessions, W.A.T.E.R. 1.0 graduates experienced BEFORE and AFTER transformations as they learned how to tailor their messaging to industry buyers. They learned how to discover forecasted opportunities by reading rate cases and annual reports. Melanie Rae, founder of Guided Business Plan, designed and facilitated the cohort which was held at the Suburban Water Systems’ corporate office.

It’s not just about accessing industry insights. The CWA USDP team wanted to make sure vendors were introduced to decision makers. The W.A.T.E.R. 1.0 cohort culminated with a vendor showcase with buyers from California Water Service, Suburban Water, California American Water, San Gabriel Valley Water, Liberty Utilities and Golden State Water. The vendors refined their 60-second introductions which made a tremendous difference because the 10 buyers could see how the vendors could add value to their specific projects.

Alumni of the CWA W.A.T.E.R. have collectively earned millions in contracts within the utility industry.

#### The CWA USDP team is composed of:

Mary Lou Ruiz, California American Water  
 Jordan Nakasone, California Water Service  
 Michael Moss, Golden State Water  
 Holley Joy, Liberty Utilities  
 Jeanette Diaz, San Gabriel Valley Water Company  
 Darryl Brown, San Gabriel Valley Water Company  
 Tim McLaughlin, San Jose Water  
 Lauren James, Suburban Water Systems

Supported by Alexis Russell, California American Water and Kalei Munoz, Suburban Water Systems

October 4, 11 and November 7, 2023 – 9:00 – 12:00 pm

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**CWA W.A.T.E.R. 1.0 Attendees:**

First name	Last name	Company
Brian	Frantz	S2S Environmental Resource Management
Deborah	Buck	Buck Signs & Graphics
Derik	Syemenyei	Trinus Corporation
Dot	Oni	DotWave Solutions
Fernanda	Miranda	MCK Americas, Inc.
Herb	Moutra	Moutra Construction Group Inc
Jan A	Davis	SuperbTech, Inc.
Jose	Ceja	Yaquis Metal Fabricators
Liam	Conor	Conor Commercial Construction
Rachel	Stanhoff	Conterra Construction
Russell	Matthews	Leader Sauce LLC
Silvia	Gutierrez	Green Media Creations, Inc.
Srividya "Sri"	Krishnan	Fill Good LLC DBA Fill Good Landscaping

**CWA Mixer**

On December 5, 2023, the California Water Association celebrated a significant milestone: spending \$300 million dollars with diverse vendors.

The exponential impact is astonishing as these dollars fueled small and large businesses across the state resulting in job creation and local re-investment.

The leaders behind this effort is the CWA's Utility Supplier Diversity Program (USDP) team composed of representatives from the seven largest Class A investor-owned water utilities in California. These Supplier Diversity professionals attend hundreds of events to look for diverse companies who can provide anything from pest control to engineering services to water well construction.

The event was held at a small business...the Four Bricks restaurant in Whittier, CA. With its rustic but spacious atmosphere, it set the tone for a celebratory networking event which soon took a surprising twist. The DJ switched up the music and dance coaches from Show Off Dance Center created a party atmosphere teaching attendees some of the most popular line dances. Corey Harris, whose company helps to eradicate "forever chemicals" that pollute water sources, exclaimed on LinkedIn that "it was the best diverse vendor event he had been to." The event was produced by Melanie Rae, CEO of Guided Business Plan, who has partnered with CWA USDP to provide comprehensive training programs for diverse vendors.

December 5, 2023 – 11:00 am – 2:00 pm PST  
Four Bricks Restaurant, Whittier, CA

~43 attendees, ~18 USDP and staff

## CWA Meet The Primes:

The CWA Meet The Primes (MTP) session was held on June 14<sup>th</sup> 2023 in Whittier California, from 11:00 p.m. to 2:00 p.m. PST. The CWA MTP event brings together prime suppliers from various CWA member companies to celebrate our success, discuss subcontracting strategies and expectations and network our primes with qualified diverse suppliers.

This year's event brought together 11 prime suppliers, 6 of which participated in our Prime Supplier Panel discussion. Panel representatives included:

Tim Roberts - T.E. Roberts

Shane Soto – W.A. Rasic Construction

Lianne Lami – Bocci Engineering and Construction

Natane Rogers-Engle – SR Diversified

Omone' Livingston - O2 Engineering, Projects & Construction Management

Mike Sager – G.M. Sager Construction

Firms such as San Jose Water (6% subcontracting) and California Water Services (13% subcontracting) rely heavily on prime supplier subcontracting in order to achieve their results.

## 2023 Utility Supplier Diversity Program Report

## 2024 Annual Plan

## 10.1.1 WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals

Category	2023 Results	Short Term Goals**	Mid Term Goals**	Long Term Goals**
Minority Men	20.8%	7.5%	7.5%	7.5%
Minority Women*	6.9%	7.5%	7.5%	7.5%
Minority Business Enterprise (MBE)	27.7%	15.0%	15.0%	15.0%
Women Business Enterprise (WBE)	5.5%	5.0%	5.0%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.0%	1.5%	1.5%	1.5%
Disabled Veteran Business (DVBE)	1.7%	1.5%	1.5%	1.5%
Persons With Disabilities (DBE)	0.0%			
<b>TOTAL WMDVLGBTBE</b>	<b>34.9%</b>	<b>23.0%</b>	<b>23.0%</b>	<b>23.0%</b>
% - PERCENTAGE OF NET PROCUREMENT				
*Target goals each year are to meet the CPUC defined goals. Stretch goals are still being defined as of the date of this publication.				
**All WMBE's were counted as WBE's for purposes of this report				

SJW has instituted tracking and reporting of PDBEs but has not yet established a goal for PDBE spend. It is expected to take several years of tracking before a formal goal is put in place.

Short-term, mid-term and long-term goals are identified at the level called out by GO 156, and are subject to change from year to year. Although breaking down goals by SIC code is not practical, SJW has shown a consistent profile of nearly 50% of 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****Internal Activities:**

Major areas of focus for the 2024 Supplier Diversity Program include:

- Continued focus on process improvement through use of 3<sup>rd</sup> party consultant. Process improvement components include:
  - Documentation of current supplier diversity reporting process
  - Identification of process gaps with suggested process improvements
  - Implementation of appropriate process improvements
  - Enhance new supplier intake process to ensure efficiencies and reliable input of supplier diversity data.
  - Revise standard Prime Supplier reporting templates for easier results calculation.
  - Automate the population of CPUC Annual Report templates
- Implement Small Business Program (at all SJW Group locations)
- Restructuring the Supplier Diversity Champions Program.
- Increased focus on low spend categories, particularly LGBT and PDBE spend.
- Examine strategy, policy and guidelines regarding the use of Value Added Resellers (VAR) and Managed Service Providers (MSP).
- Consider internal supplier diversity recognition program.
- Complete annual review of supplier diversity website and make appropriate changes/updates.
- Increase buyer participation at various CBO events.

**External Activities:**

- In compliance with Ordering Paragraph No. 4 of CPUC D.11-05-019 (in R.09-07-027), SJW will continue to work closely with the CWA and its members to participate in the Tier 1 capacity building and technical assistance programs. Continue to support previous graduates of the CWA W.A.T.E.R. program through 2024.
- In 2024, SJW will continue to work with the CWA and its member companies to host Business Opportunity Fair meetings, encouraging prime suppliers to increase sub-contracting participation.

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- Enhance outreach strategy to supplier diversity Community Business Organizations (CBO). Address potential funding of CBOs outside of CWA Utility Supplier Diversity Program (USDP) Committee. Consider potential national memberships when appropriate.
- SJW will continue to participate in and attend a variety of outreach activities with various CBO tradeshows, conferences and matchmakers.
- Consider external supplier diversity recognition program.

## 2023 Utility Supplier Diversity Program Report

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

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

- **MBEs:** The primary CBO utilized will be the Western Regional Minority Supplier Development Council (WRMSDC).
- **WBEs:** Primarily through continued partnership with the Women’s Business Enterprise Council – Pacific (WBEC-Pacific). Note that SJW’s Supplier Diversity Program Manager, Tim McLaughlin, is on the Board of WBEC-Pacific.
- **DVBES:** In association with the Veterans in Business (VIB) Network and the Elite Service Disabled Veteran Owned Business (SDVOB) Network.
- **LGBTs:** SJW will increase participation with the Rainbow Chamber – Silicon Valley, the Golden Gate Business Association (GGBA) and Buildout California. This is critical to increasing LGBT spend and meeting the 2024 CPUC LGBT goal of 1.5%.

We will continue to participate in outreach to CBOs through matchmaking, panels, technical assistance, and mentoring, including but not limited to organizations found in section 9.1.1.

During 2024, SJW will continue our efforts to increase diverse spending in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs will continue in the following functional areas:

- Legal Services
- Financial Services
- Accounting

## 2023 Utility Supplier Diversity Program Report

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

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

## 2023 Utility Supplier Diversity Program Report

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

In 2024, we will strive to maximize the number of prime suppliers reporting subcontracting. We will continue our work to ensure policy and procedure documents are included in the new, centralized supply chain organization. This includes contract and RFP supplier diversity language standards, prime supplier diversity tracking and reporting requirements, standard supplier diversity weighting on all RFP bid evaluation forms, and SJW-specific supplier diversity requirements for centralized purchasing.

Based upon lessons learned in 2023, including any CPUC audit findings of our 2021 report, we will increase our communication with prime suppliers around reporting rules and requirements. This includes revising standard Prime Supplier reporting templates for easier reporting. SJW will require prime suppliers to submit subcontracting reports on a quarterly basis, at a minimum.

Some suppliers will continue to report on a monthly basis.

### **10.1.6 Plans for Complying with WMDVLGBTBE Program Guidelines**

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

The USDP Program Director 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 all procurement.

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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.