



# **GENERAL ORDER (GO) 156 REPORT**

## **Year 2018 Utilities Procurement of Goods, Services and Fuel from Women-, Minority-, Disabled Veteran-, and LGBT-owned Business Enterprises**

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*Commission*

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# CPUC Utility Supplier Diversity Program

## General Order 156 (GO 156):

- Requires utility companies with gross revenues greater than \$25 million annually to have a Supplier Diversity Program
- Encourages utility companies to increase the utilization of Women, Minority, Disabled Veteran, and LGBT owned business enterprises (WMDVLGBTBE) in their procurement activities

Program goal: participation of 15% minority, 5% women and 1.5% Disabled Veteran owned businesses

- \*\*No goal for LGBT-owned businesses





# GO 156 Report to the Legislature

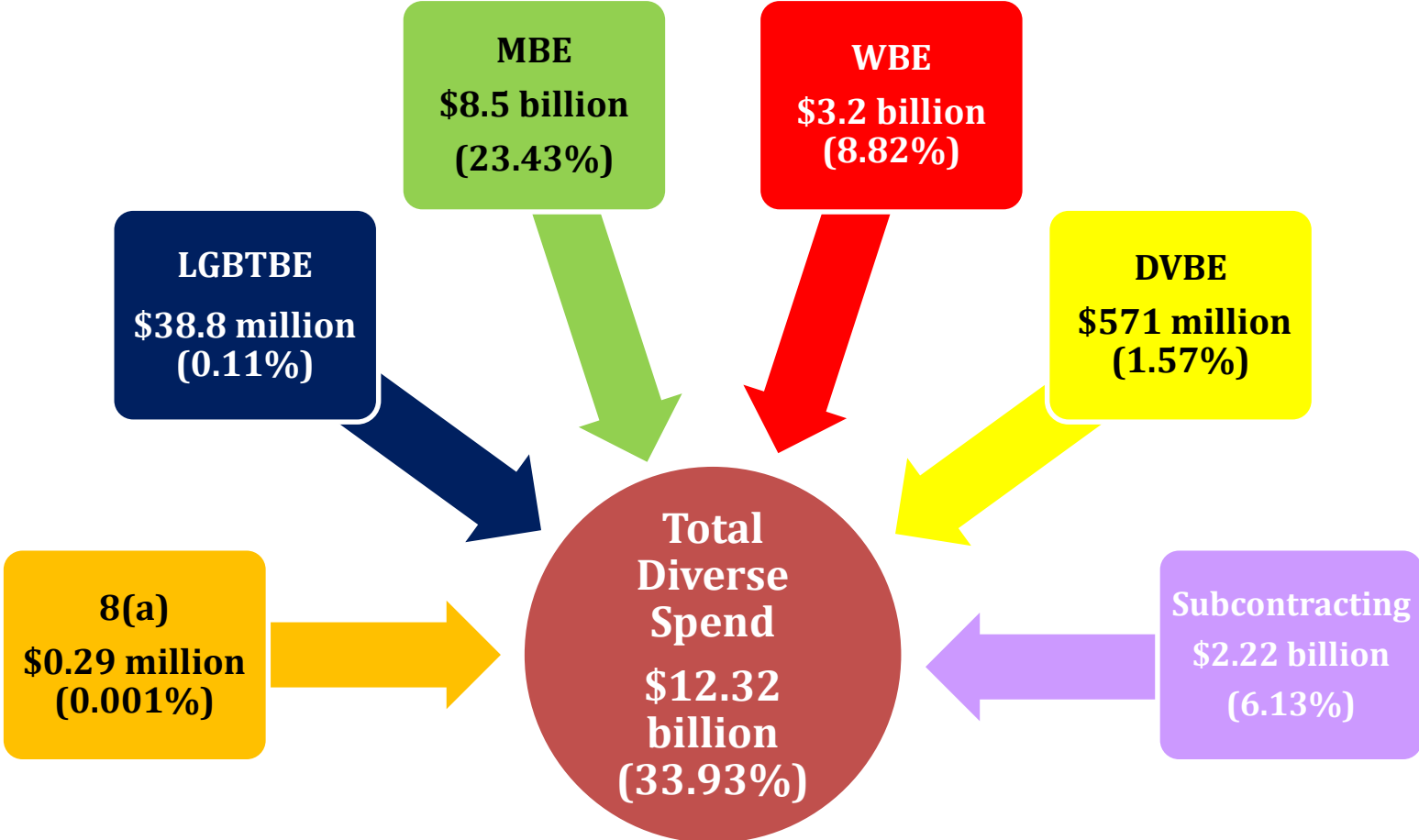
- Describes utilities progress in procuring from women-, minority-, disabled veteran-, and LGBT-owned business enterprises (WMDVLGBTBEs) based on a 21.5% goal
  - 15 percent (minority-owned), 5 percent (women-owned), and 1.5 percent (disabled veteran-owned)
  - No goal for LGBT-owned
- 32 utilities submitted their annual GO 156 report to CPUC





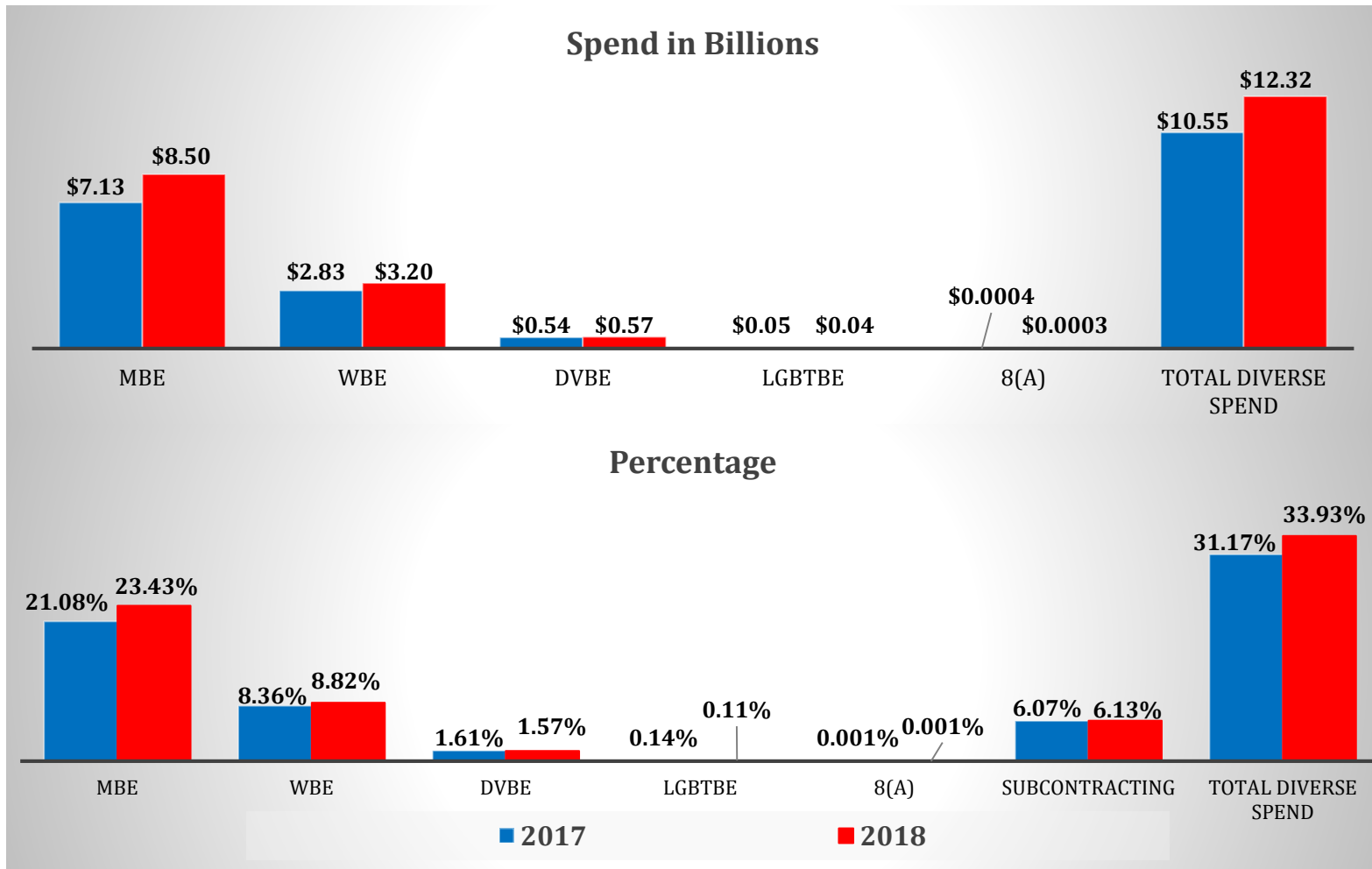
# 2018 Utilities Diverse Procurement Overview

2,824 total direct diverse suppliers





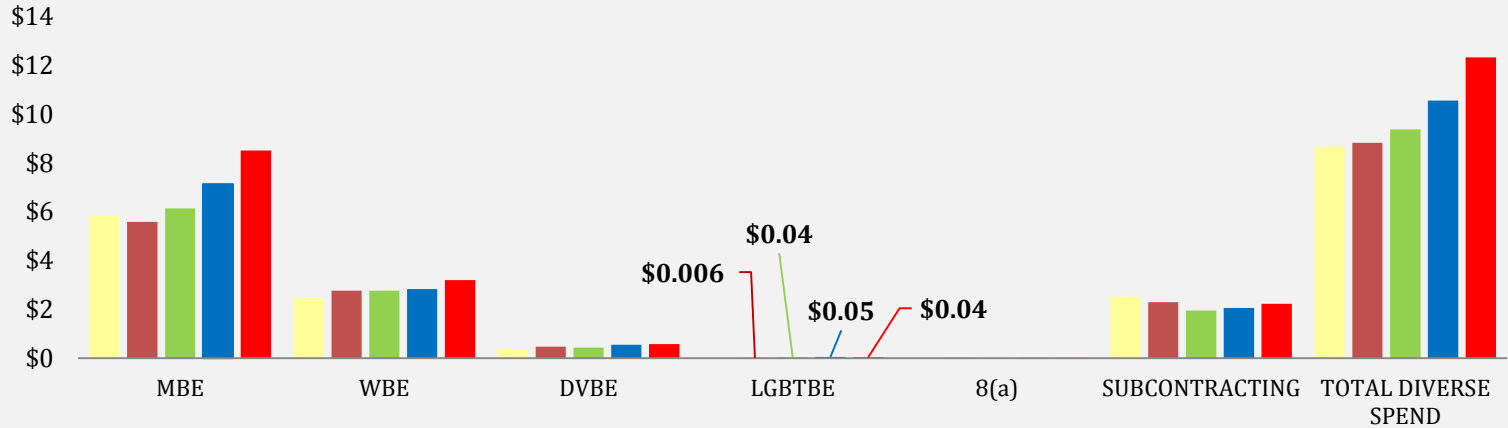
# 2017/2018 Utilities Diverse Procurement



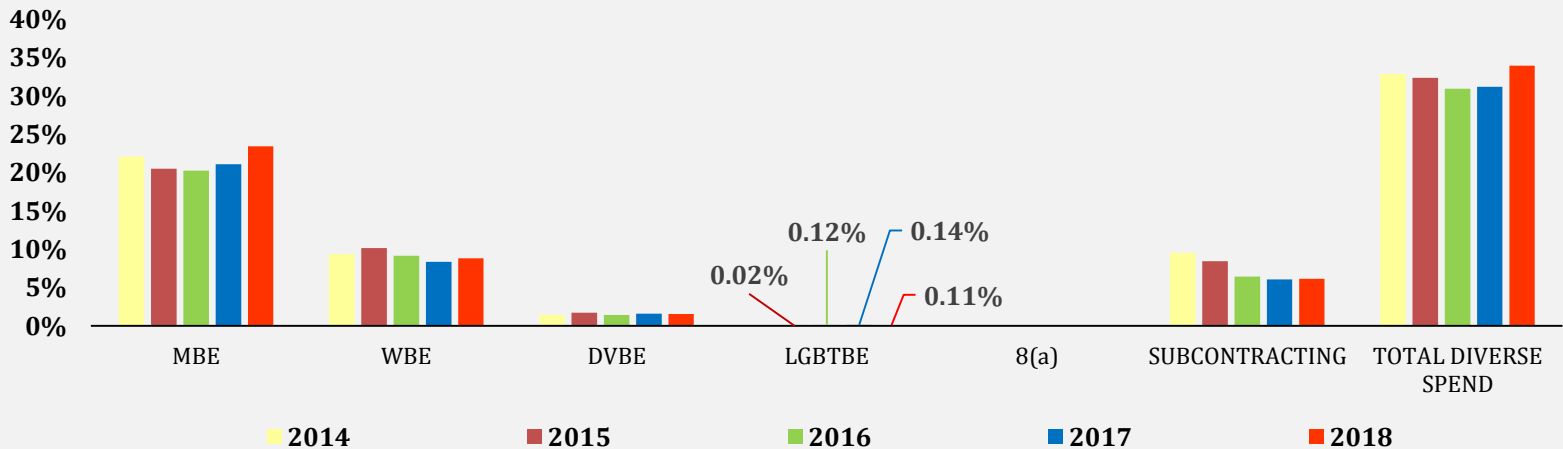


# 2014-2018 Utilities Diverse Procurement

Spend in Billions



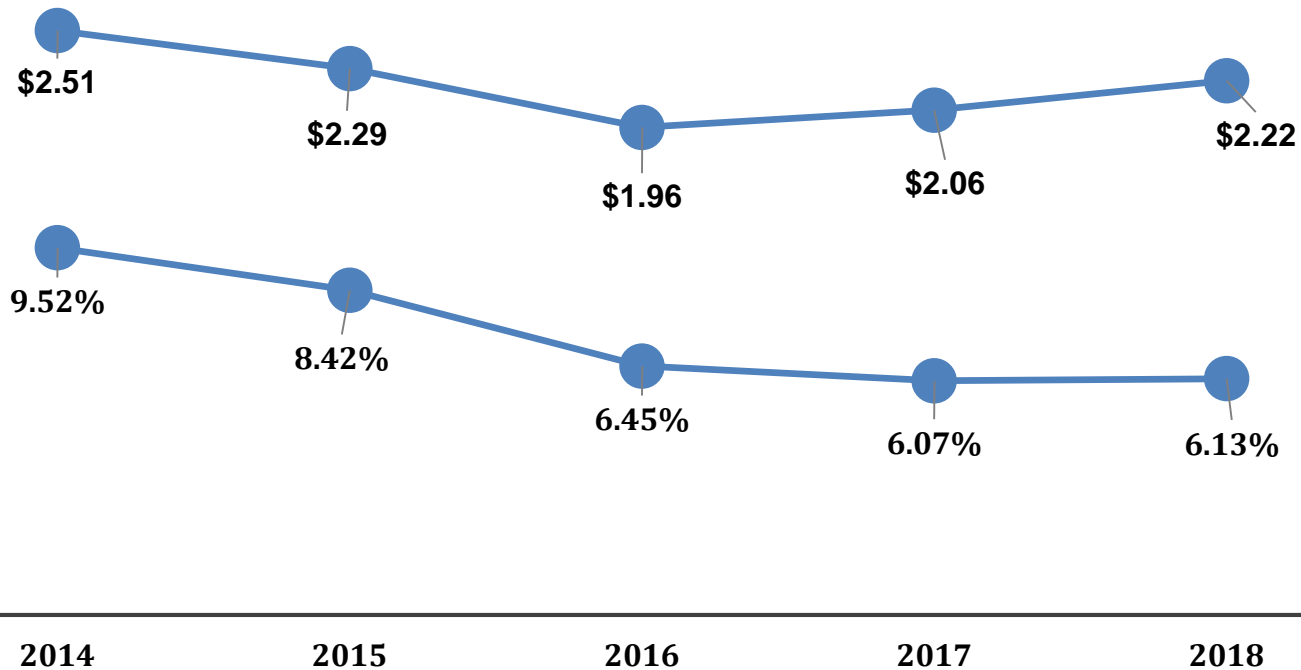
Percentage





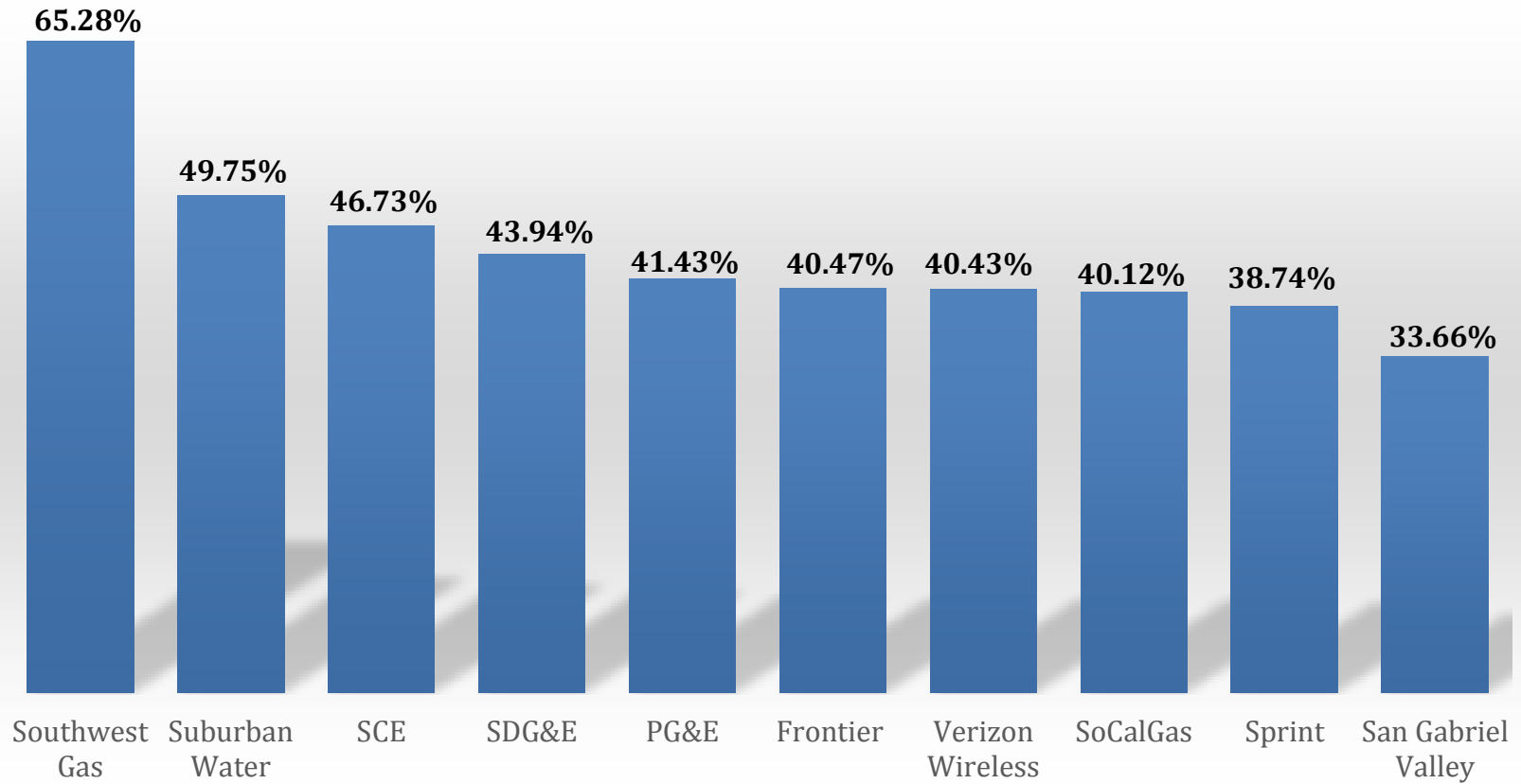
# 2014-2018 Utilities Diverse Subcontracting Spend and Percentage

Spend in Billions





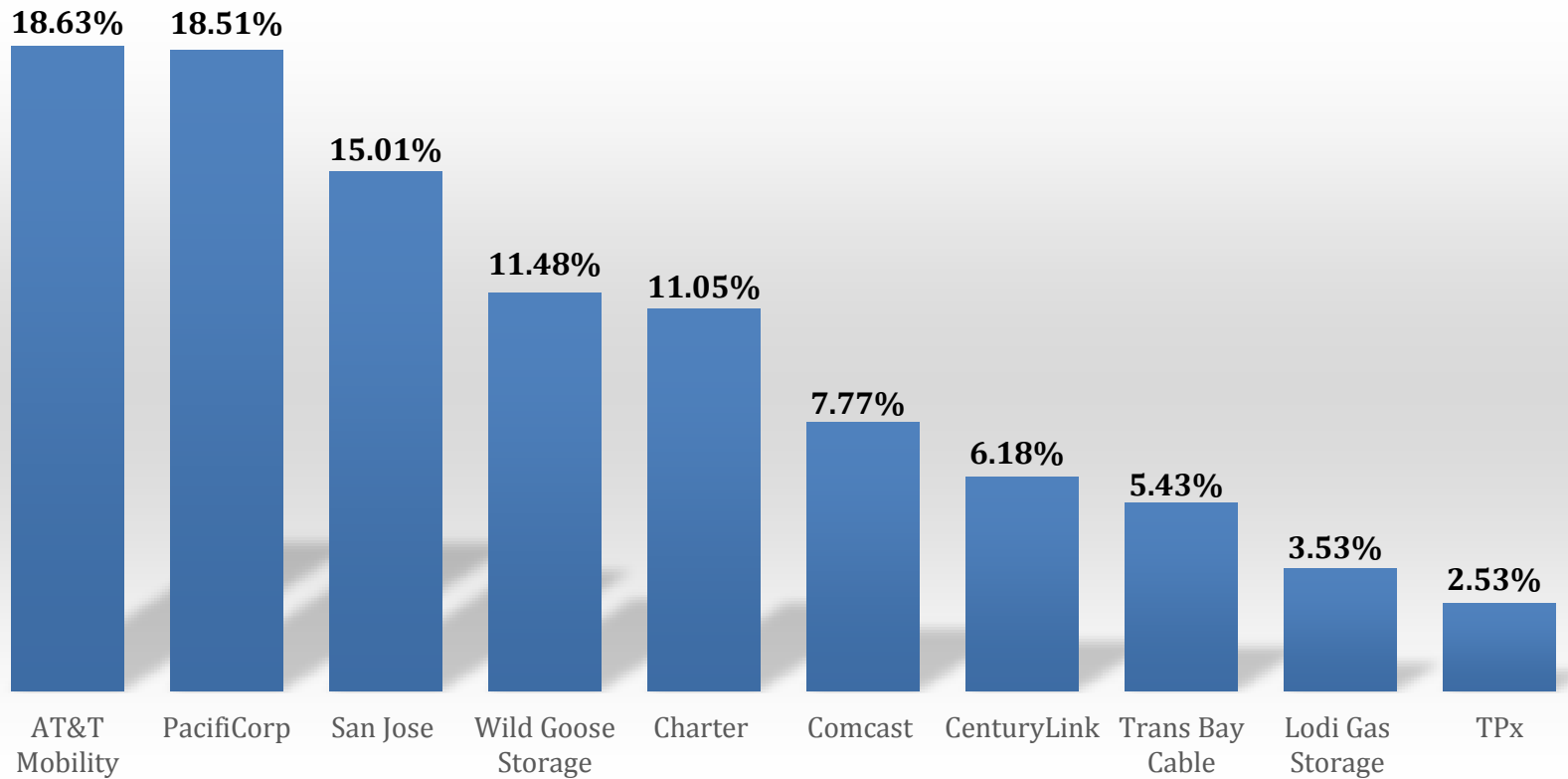
# 2018 Top 10 Performers







# Utilities with the least WMDVLGBTBE Procurement in 2018





# Utilities Who Met All Three Goals in 2018

**15% Minority    5% Women    1.5% DVBE**

<b>Cal-Am Water</b>	<b>15.65%</b>	<b>9.29%</b>	<b>1.97%</b>
<b>Golden State Water</b>	<b>23.14%</b>	<b>5.19%</b>	<b>2.48%</b>
<b>PG&amp;E</b>	<b>25.39%</b>	<b>11.53%</b>	<b>4.47%</b>
<b>SDG&amp;E</b>	<b>25.46%</b>	<b>13.82%</b>	<b>4.31%</b>
<b>SCE</b>	<b>27.97%</b>	<b>16.54%</b>	<b>2.20%</b>





# GO 156 Program Challenges

- Centralized procurement policy
- Strategic sourcing
- Emerging technologies and new market entrants
- Limited diverse suppliers that meet the scale and requirements of contracts
  - Credit, bond, security, capital etc. requirements
  - Terms and conditions of payment
  - Size of diverse suppliers
  - Location of contracts
- Diverse subcontracting reporting and quality of diverse subcontracting data
- Fuel and power procurement continue to decline significantly





# GO 156 – Next Steps

## Update/Enhance

- Identify approaches to best utilize the utilities' subcontracting programs
- Continue collaborations with utilities and business organizations to identify and find solutions for challenges and barriers
- Analyze LGBTBE yearly spend and market conditions in preparation for LGBTBE goal setting discussions
- Continue discussions with DVBE organizations and other interested groups for legislative solutions to include non-California domiciled DVBEs

## Quantify

- Continue to quantify and capture the socioeconomic value of GO 156

## Outreach

- Advocate for WMDVLGBTBEs inclusion in utilities procurement activities
- Increase the number of certified WMDVLGBTBEs
- Strengthen partnerships with WMDVLGBTBEs organizations and communities





# Thank You!



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