

Quality. Service. Value.



# California Water Service 2014 Annual Report

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

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## MESSAGE FROM CALIFORNIA WATER SERVICE'S PRESIDENT AND CHIEF EXECUTIVE OFFICER


At California Water Service (Cal Water), we are committed to ensuring that our customers receive the best services at the best prices, which is one of the reasons we have worked to broaden the pool of vendors that compete for our business. In 2014, we made great progress in strengthening our Supplier Diversity Program, thanks in part to the diligence of our Executive Task Force, our Procurement Department, and our Supplier Diversity Manager. Some of the highlights for the year include:

- We increased the number of certified women-, minority-, and disabled veteran-owned business enterprises (WMDVBEs) in our database from 103 to 211, an increase of 105% over 2013.
- We increased the number of WMDVBEs we transacted business with from 113 to 168, an increase of 49%.
- We increased our WMDVBE spend as a percentage of our net procurement from 18.7% in 2013 to 24.0% in 2014, an increase of 28.4%.
- We surpassed the California Public Utilities Commission's overall goal of achieving a total spend with WMDVBEs of 21.5%, as well as the goals set for each category: woman-, minority- and disabled-veteran owned.



Going forward, we will continue to put forth our best effort to ensure that any qualified vendor who wants to compete for our business has the opportunity to do so. The bottom line is this: the greater the competition for our business, the better able we are to provide our customers with the best possible services at the best possible prices.

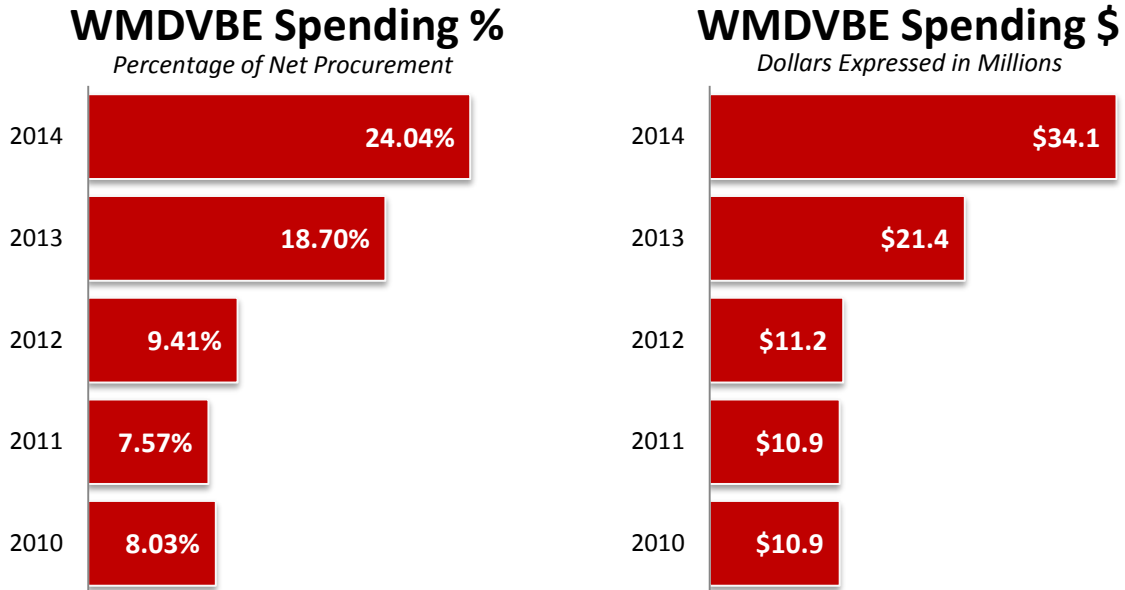
I look forward to reporting on our future progress.

  
Martin A. Kropelnicki

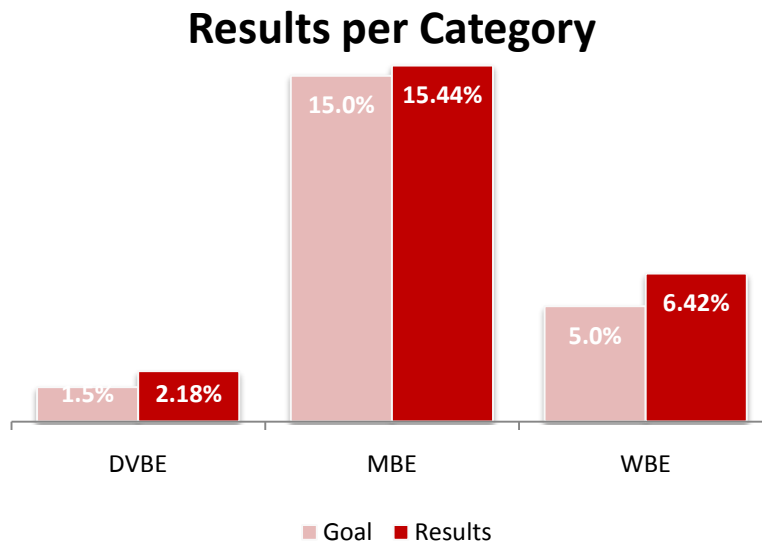
## SUMMARY OF 2014 WMDVBE PROGRAM

This report outlines California Water Service’s (Cal Water) progress in procuring goods and services from woman-, minority-, and service-disabled veteran-owned business enterprises (WMDVBEs) for the period of January 1, 2014, through December 31, 2014.

In 2014, Cal Water’s discretionary spending totaled \$141.8M, of which the company spent \$34.1M (24.04%) with WMDVBEs, up from \$21.4M (18.7%) in 2013.

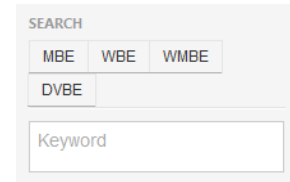


Additionally, Cal Water met all goals within each category as specified by the California Public Utility Commission (CPUC).



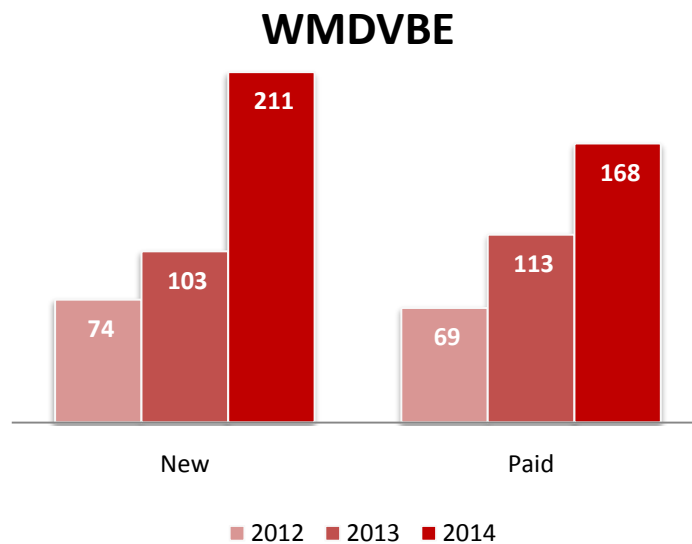
2014 proved to be a great year for supplier diversity at Cal Water; our success is attributed to the support of our employees and their willingness to discuss services with WMDVBES, review capability statements, and attend outreach events.

We continue increasing WMDVBES in our database every year and making them available to our buyers company-wide. In 2014, we upgraded our search tool to include a keyword search, allowing our employees to more easily find vendors by services and locations.



Cal Water awards business to suppliers based on a competitive procurement process, which ensures that we receive goods and services at the best available value. In 2014, we implemented changes to our procurement policy to encourage the utilization of women, minority, and disabled veteran vendors in our supply chain opportunities. We have been strictly enforcing the policy since then.

In 2014, we increased our pool of registered WMDVBE vendors by 211 to 492. We purchased from 168 certified WMDVBE suppliers, compared to 113 in 2013.



Last year, we also undertook a strategic sourcing project to competitively bid out our multi-year construction master contract work, which constitute the largest spending for the company each year. We invited forty-one contractors to bid on the contracts, among them eight were WMDVBES. As a result of the competitive bidding, we awarded the contracts to four major master contractors, including two WMDVBES. We are excited to have selected a new WMDVBE, Beebe Diversified, as our master contractor for Chico, Oroville, Marysville, Willows, and Dixon districts. We are looking forward to working with them in 2015.

Our commitment to supplier diversity goes beyond the numbers; we support technical assistance and capacity-building programs for our vendors through a multi-tier approach.

### Technical Assistance and Capacity-Building

- Water Technology Training WMDVBE Scholarship Program
- California Water Association's (CWA) Mentor-Protégé Pilot Program (MPPP)
- The Supplier Clearinghouse certification assistance

Our Water Technology Training WMDVBE Scholarship Program is a nine-week water technology and water distribution training that includes topics such as water sources, treatment, reservoir management, intake structures, coagulation, flocculation, and sedimentation, among others. We make this training available for WMDVBE construction companies, giving them a complete perspective of our operations, improving their performance as they learn additional concepts, and making them more competitive in the market. Beebe Diversified, one of the WMDVBEs that we just awarded a master contract to, is currently receiving training under this program.

We also continue our support of California Water Association (CWA) Utilities Supplier Diversity Program (USDSP) committee's Mentor-Protégé Pilot Program (MPPP). This program provides professional guidance, technical and managerial support, and any other mutually agreed-upon benefit from mentor water companies to their protégé businesses in a manner that will facilitate their growth and development. We commit resources and time, as well as a forum for mentees to network with Cal Water personnel to discover available opportunities within our twenty-one districts.

Our third approach is to assist our vendors through the certification process. This includes explaining the process, its benefits, and next steps upon certification, and providing networking opportunities within Cal Water and with other utilities. In 2014, through coaching and assistance, twelve Cal Water vendors applied to and became certified by the Supplier Clearinghouse.

Our partnership with West Valley Construction continues to grow in terms of subcontracting opportunities for WMDVBEs. From these efforts and West Valley's subcontracting, we spent \$8.8M with thirty-one WMDVBEs in 2014.

Three other prime contractors engaged six WMDVBEs with expenditures of \$200,000.

### Tier II Program

- 37 WMDVBEs
- \$9.0M in expenditures

In terms of outreach, we encourage our employees to participate in various events, putting decision-makers in front of the WMDVBEs to discuss opportunities and new ideas. Additionally, we bring vendors to our campus for direct interaction with buyers. For example, in 2014 we hosted four WMDVBEs at our San Jose campus. During these meetings, we reviewed their capabilities and determined available opportunities. We also hosted the Northern CA Elite Chapter DVBE Network roundtable on our campus, where many of our engineers and IT specialists were present to discuss available opportunities.

Cal Water remains committed to supplier diversity. To support this effort in 2014, we updated language in our procurement policy, included involvement of district and department representatives in outreach events, made updates to our vendor search tool, provided consistent company-wide communication and periodic updates to executives, and implemented new ideas such as service-specific maps with vendor information. We look forward to maintaining our commitment in 2015.

### 9.1.1 Internal & External WMDVBE Program Activities

Listed below are all activities California Water Service (Cal Water) participated in with the CWA USDP team.

#### January

- CUDC Monthly Meeting @ San Francisco
- American Indian Chamber of Commerce Advisory Council
- USDP Monthly Meeting @ Fontana

#### February

- CUDC Monthly Meeting via WebEx
- NARUC/UMA Winter Meeting @ Washington, DC
- USDP Monthly Meeting @ San Jose
- Business Matchmaking 2014 @ Oakland
- CWA Board of Directors Meeting @ Downey
- ISM Supply Chain Diversity Summit @ San Francisco

#### March

- CUDC Monthly Meeting @ Livermore
- USDP Monthly Meeting @ Covina
- WBENC National Conference @ New Orleans
- Joint Utilities Quarterly Meeting @ Downey
- SCMSDC Business Opportunity Day @ Universal City
- CWA Board of Directors Meeting @ San Jose
- BBA Salute to Black Women @ Los Angeles
- Veterans Orientation Workshop @ Stockton

#### April

- CUDC Monthly Meeting via WebEx
- USDP Monthly Meeting @ San Jose
- CWA Board of Directors Meeting @ San Dimas
- WRMSDC Supplier Diversity Awards Gala @ San Francisco
- CPUC Small Business Expo @ Los Angeles

#### May

- CUDC Monthly Meeting @ San Francisco
- USDP Monthly Meeting @ Garden Grove
- Keeping the Promise DVBE Business Alliance @ Garden Grove
- CWA Spring Conference @ Sacramento

#### June

- CWA Board of Directors Meeting @ San Francisco
- CUDC Monthly Meeting via WebEx
- USDP Monthly Meeting @ San Jose
- CWA USDP Business Opportunity Fair @ San Jose
- BBA 40th Annual Awards Dinner @ Los Angeles
- WBENC Annual Conference @ Philadelphia
- Business Matchmaking 2014 @ Salinas
- Joint Utilities Quarterly Meeting @ San Francisco

#### July

- CWA Board of Directors Meeting @ Lake Tahoe
- USDP Monthly Meeting @ Coronado
- AICOC Expo 11th Anniversary @ Rancho Mirage
- CUDC Monthly Meeting @ Los Angeles
- NGLCC Annual Conference @ Las Vegas, NV

#### August

- CWA Board of Directors Meeting @ Coronado
- Elite SDVOB Network National Conference @ New York
- LBA Minority Women Business Conference @ Burbank
- CALBCC Ron Brown Annual Conference @ Los Angeles
- USDP Monthly Meeting @ San Jose
- The Regalettes Annual White Linen Affair @ Los Angeles
- Western Region MSDC Minority Business Expo @ Santa Clara
- CAHCC Annual Convention @ Garden Grove
- CUDC Monthly Meeting via WebEx
- Get Connected: Small Business Expo 2014 @ Stockton

#### September

- CUDC Monthly Meeting @ Ontario
- CWA Board of Directors Meeting @ Sacramento
- USDP Monthly Meeting @ Ontario
- USDP SoCal Prime Contractors Meeting @ Ontario
- CalAsian Business Summit @ San Francisco
- Joint Utilities Quarterly Meeting @ Coronado

#### October

- CUDC Monthly Meeting via WebEx
- ABA Annual Award Banquet @ Universal City
- BBA Procurement Exchange @ Los Angeles
- NAMC Southern California Chapter @ Culver City
- CWA Board of Directors Meeting @ Fontana
- Business Matchmaking 2014 @ San Luis Obispo
- USDP Monthly Meeting @ Torrance
- CPUC En Banc Hearing @ Los Angeles
- Veterans Business Forum @ Sacramento
- Elite N. CA Round Table @ San Jose
- Turn Contacts Into Contracts @ Downey

#### November

- NMSDC Annual Conference @ Orlando
- CWA Annual Conference @ Monterey
- USDP Monthly Meeting @ Monterey
- CUDC Meeting @ Downey
- NARUC 126th Annual Meeting @ San Francisco
- CPUC Small Business Expo @ Sacramento
- AICOC Heritage Month Luncheon @ Anaheim
- Elite N. CA Round Table @ San Jose

#### December

- Joint Utilities Meeting @ San Francisco
- CWA Board of Directors Meeting @ Pasadena
- CUDC Monthly Meeting via Conference Call
- Business Matchmaking 2014 @ Pasadena
- USDP Monthly Meeting @ Ontario
- WRMSDC 2014 Annual Meeting @ San Francisco
- Elite N. CA Round Table @ San Jose

## 9.1.2 Summary of Purchases

## Supplier Diversity Results by Ethnicity

Line		Direct \$	Tier II \$	Total \$	%	
1	Minority Men	African-American	49,159.94	74,210.00	123,369.94	0.09%
2		Asian-Pacific	1,206,273.44	109,548.95	1,315,822.39	0.93%
3		Hispanic-American	17,221,501.24	436,132.21	17,657,633.45	12.45%
4		Native-American	261,686.99	42,598.63	304,285.62	0.21%
5		Total MBE	18,738,621.61	662,489.79	19,401,111.40	13.68%
6	Minority Women	African-American	24,136.30	-	24,136.30	0.02%
7		Asian-Pacific	1,291,317.23	16,676.12	1,307,993.35	0.92%
8		Hispanic-American	691,597.93	330,898.51	1,022,496.44	0.72%
9		Native-American	140,923.35	-	140,923.35	0.10%
10		Total WMBE	2,147,974.81	347,574.63	2,495,549.44	1.76%
11						
12	Total Minority Business Enterprises (MBE)		20,886,596.42	1,010,064.42	21,896,660.84	15.44%
13						
14	Women Business Enterprises (WBE)		4,052,221.25	5,054,707.72	9,106,928.97	6.42%
15						
16	Subtotal Women & Minority Business Enterprises (WMBE)		24,938,817.67	6,064,772.14	31,003,589.81	21.86%
17						
18	Disabled Veteran Business Enterprises (DVBE)		127,854.34	2,968,987.00	3,096,841.34	2.18%
19						
20	<b>Total WMDVBE</b>		<b>25,066,672.01</b>	<b>9,033,759.14</b>	<b>\$ 34,100,431.15</b>	<b>24.04%</b>
21						
22		Gross Procurement			\$ 332,913,419.15	
23		Exclusions			\$ (191,106,504.59)	
24		<b>Net Procurement</b>			<b>\$ 141,806,914.56</b>	



## Total Procurement by Standard Industrial Classification Codes

SIC Category	Asian-Pacific		African-American		Hispanic-American		Native-American		Total Minority Business Enterprises (MBE)	Women Business Enterprises (WBE)	Disabled Veterans Business Enterprises (DVBE)	Total WMDVBE	Total Spend	
	Men	Women	Men	Women	Men	Women	Men	Women						
<b>07: AGRICULTURAL SERVICES</b>	\$				91,753.00	11,810.00			103,563.00			103,563.00	\$ 1,476,600.49	
	%	0.00%	0.00%	0.00%	0.06%	0.01%	0.00%	0.00%	0.07%	0.00%	0.00%	0.07%		
<b>13: OIL AND GAS EXTRACTION</b>	\$				4,650.00				4,650.00			4,650.00	\$ 69,891.75	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
<b>14: NONMETALLIC MINERALS, EXCEPT FUELS</b>	\$						11,663.44		11,663.44			11,663.44	\$ 13,452.79	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%	0.01%		
<b>15: GENERAL BUILDING CONTRACTORS</b>	\$		515.00				42,776.00		43,291.00	756,604.32		799,895.32	\$ 3,122,920.26	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.03%	0.53%	0.00%	0.56%		
<b>16: HEAVY CONSTRUCTION, EXCEPT BUILDING</b>	\$				15,787,937.09		70,577.50		15,858,514.59	499,069.50		16,357,584.09	\$ 59,165,271.12	
	%	0.00%	0.00%	0.00%	0.00%	11.13%	0.05%	0.00%	11.18%	0.35%	0.00%	11.54%		
<b>17: SPECIAL TRADE CONTRACTORS</b>	\$		116,848.95	359,267.00			886,734.31	411,475.22	48,527.79	1,822,853.27	60,980.50	32,860.00	1,916,693.77	\$ 10,576,245.94
	%	0.08%	0.25%	0.00%	0.00%	0.63%	0.29%	0.03%	1.29%	0.04%	0.02%	1.35%		
<b>20: FOOD AND KINDRED PRODUCTS</b>	\$											-	\$ 1,296.24	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
<b>22: TEXTILE MILL PRODUCTS</b>	\$											-	\$ 7,666.31	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
<b>23: APPAREL AND OTHER TEXTILE PRODUCTS</b>	\$						101,641.95		101,641.95			101,641.95	\$ 163,498.58	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.07%	0.00%	0.00%	0.07%		
<b>27: PRINTING AND PUBLISHING</b>	\$									16,720.00		16,720.00	\$ 690,759.73	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%		
<b>28: CHEMICALS AND ALLIED PRODUCTS</b>	\$		204,411.43						204,411.43	38,283.66		242,695.09	\$ 972,055.34	
	%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.03%	0.00%	0.17%		
<b>29: PETROLEUM AND COAL PRODUCTS</b>	\$											-	\$ 263,708.00	
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
<b>30: RUBBER</b>	\$											-	\$ 252,222.40	

SIC Category	Asian-Pacific		African-American		Hispanic-American		Native-American		Total Minority Business Enterprises (MBE)	Women Business Enterprises (WBE)	Disabled Veterans Business Enterprises (DVBE)	Total WMDVBE	Total Spend
	Men	Women	Men	Women	Men	Women	Men	Women					
AND MISC. PLASTICS PRODUCTS	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
31: LEATHER AND LEATHER PRODUCTS	\$											-	\$ 27,855.71
32: STONE, CLAY, AND GLASS PRODUCTS	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$					45,406.51			45,406.51			45,406.51	\$ 435,815.61
33: PRIMARY METAL INDUSTRIES	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.03%	
	\$											-	\$ 96,124.81
34: FABRICATED METAL PRODUCTS	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$	60,350.00				88,211.93			148,561.93			148,561.93	\$ 1,247,010.31
35: INDUSTRIAL MACHINERY AND EQUIPMENT	%	0.04%	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%	0.10%	0.00%	0.00%	0.10%	
	\$									578,248.73		578,248.73	\$ 3,686,013.35
36: ELECTRONIC AND OTHER ELECTRIC EQUIPMENT	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.41%	0.00%	0.41%	
	\$											-	\$ 818,172.29
37: TRANSPORTATION EQUIPMENT	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$	31,855.00						200,896.80	232,751.80			232,751.80	\$ 451,717.22
38: INSTRUMENTS AND RELATED PRODUCTS	%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.16%	0.00%	0.00%	0.16%	
	\$					172,341.05			172,341.05			172,341.05	\$ 4,063,806.97
39: MISC. MANUFACTURING INDUSTRIES	%	0.00%	0.00%	0.00%	0.00%	0.12%	0.00%	0.00%	0.12%	0.00%	0.00%	0.12%	
	\$										9,000.00	9,000.00	\$ 9,000.00
40: RAILROAD TRANSPORTATION	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	
	\$											-	\$ 4,258.92
41: LOCAL AND INTERURBAN PASSENGER TRANSIT	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$											-	\$ 16,567.02
42: TRUCKING AND WAREHOUSING	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$			74,210.00		2,470.00	372.00		77,052.00	1,187,298.10		1,264,350.10	\$ 408,030.63
	%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.05%	0.84%	0.00%	0.89%	

SIC Category	Asian-Pacific		African-American		Hispanic-American		Native-American		Total Minority Business Enterprises (MBE)	Women Business Enterprises (WBE)	Disabled Veterans Business Enterprises (DVBE)	Total WMDVBE	Total Spend
	Men	Women	Men	Women	Men	Women	Men	Women					
<b>44: WATER TRANSPORTATION</b>	\$											-	\$ 2,640.54
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>45: TRANSPORTATION BY AIR</b>	\$											-	\$ 12,724.33
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>47: TRANSPORTATION SERVICES</b>	\$					77,661.37			77,661.37			77,661.37	\$ 203,451.63
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.05%	0.00%	0.00%	0.05%	
<b>48: COMMUNICATION</b>	\$											-	\$ 242,691.10
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>49: ELECTRIC, GAS, AND SANITARY SERVICES</b>	\$	103,777.27							103,777.27	7,025.00		110,802.27	\$ 565,181.92
	%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.08%	
<b>50: WHOLESALE TRADE: DURABLE GOODS</b>	\$	64,725.36	544,566.50			297,598.27	4,010.63	42,598.63	953,499.39	3,076,323.07	2,957,802.00	6,987,624.46	\$ 7,538,040.08
	%	0.05%	0.38%	0.00%	0.00%	0.21%	0.00%	0.03%	0.67%	2.17%	2.09%	4.93%	
<b>51: WHOLESALE TRADE: NONDURABLE GOODS</b>	\$						17,475.58		17,475.58	118,573.08		136,048.66	\$ 5,105,968.81
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.08%	0.00%	0.10%	
<b>52: BUILDING MATERIALS AND HARDWARE</b>	\$									10,543.01		10,543.01	\$ 827,123.75
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	
<b>53: GENERAL MERCHANDISE STORES</b>	\$	406.50							406.50	277.23		683.73	\$ 82,365.67
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>54: FOOD STORES</b>	\$											-	\$ 124,153.99
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>55: AUTOMOTIVE DEALERS AND SERVICE STATIONS</b>	\$	101,150.33				63.60		12,262.40	113,476.33	64,790.98		178,267.31	\$ 2,069,299.42
	%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.08%	0.05%	0.00%	0.13%	
<b>56: APPAREL AND ACCESSORY STORES</b>	\$											-	\$ 48,913.74
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>57: FURNITURE</b>	\$		110.60			4,956.00			5,066.60	36.61		5,103.21	\$ 218,709.58

SIC Category	Asian-Pacific		African-American		Hispanic-American		Native-American		Total Minority Business Enterprises (MBE)	Women Business Enterprises (WBE)	Disabled Veterans Business Enterprises (DVBE)	Total WMDVBE	Total Spend
	Men	Women	Men	Women	Men	Women	Men	Women					
AND HOME FURNISHING STORES	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
58: EATING AND DRINKING PLACES	\$	45,244.55							45,244.55			45,244.55	\$ 462,323.48
59: MISCELLANEOUS RETAIL	%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.03%	
	\$				1,074.82	9,017.67			10,092.49	32,263.06		42,355.55	\$ 967,080.54
60: DEPOSITORY INSTITUTIONS	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
62: SECURITY AND COMMODITY BROKERS	\$											-	\$ 3,016,741.57
63: INSURANCE CARRIERS	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
64: INSURANCE AGENTS, BROKERS, AND SERVICE	\$											-	\$ 90,900.46
65: REAL ESTATE	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$									255.00		255.00	\$ 3,858.55
70: HOTELS AND OTHER LODGING PLACES	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$											-	\$ 280,975.56
72: PERSONAL SERVICES	%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.01%	0.02%	0.00%	0.03%	
	\$	260,519.84	35,108.00	23,735.88	18.00	163,474.05	199,598.57	1,216.94	683,671.28	2,174,743.51	13,357.30	2,871,772.09	\$ 12,423,308.25
73: BUSINESS SERVICES	%	0.18%	0.02%	0.02%	0.00%	0.12%	0.14%	0.00%	0.48%	1.53%	0.01%	2.03%	
75: AUTO REPAIR, SERVICES, AND PARKING	\$	166.72				23,120.22			23,286.94			23,286.94	\$ 962,174.77
76: MISCELLANEOUS REPAIR SERVICES	%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%	0.00%	0.00%	0.02%	
	\$									156.88		156.88	\$ 746,847.69
78: MOTION	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$											-	\$ 1,869.40

SIC Category	Asian-Pacific		African-American		Hispanic-American		Native-American		Total Minority Business Enterprises (MBE)	Women Business Enterprises (WBE)	Disabled Veterans Business Enterprises (DVBE)	Total WMDVBE	Total Spend
	Men	Women	Men	Women	Men	Women	Men	Women					
<b>PICTURES</b>	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>79: AMUSEMENT AND RECREATION SERVICES</b>	\$											-	\$ 39,682.55
<b>80: HEALTH SERVICES</b>	%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	
	\$				24,118.30				24,118.30			24,118.30	\$ 82,618.92
<b>81: LEGAL SERVICES</b>	%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	
	\$					65,577.62			65,577.62	4,626.00		70,203.62	\$ 441,453.81
<b>82: EDUCATIONAL SERVICES</b>	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$									4,080.25		4,080.25	\$ 252,934.15
<b>83: SOCIAL SERVICES</b>	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$										4,500.00	4,500.00	\$ 106,083.44
<b>84: MUSEUMS, BOTANICAL, ZOOLOGICAL GARDENS</b>	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$											-	\$ 100.00
<b>86: MEMBERSHIP ORGANIZATIONS</b>	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$											-	\$ 374,588.58
<b>87: ENGINEERING AND MANAGEMENT SERVICES</b>	%	0.23%	0.26%	0.02%	0.00%	0.03%	0.01%	0.00%	0.10%	0.65%	0.25%	0.02%	0.92%
	\$	326,366.44	368,941.25	24,057.06		42,018.39	16,210.00		139,706.41	917,299.55	356,953.83	26,145.00	1,300,398.38
<b>89: SERVICES, (NOT ELSEWHERE CLASSIFIED)</b>	%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%	0.07%	0.04%	0.12%
	\$			852.00		14,294.64	2,800.00			17,946.64	93,109.04	53,177.04	164,232.72
<b>Total</b>		1,315,822.39	1,307,993.35	123,369.94	24,136.30	17,657,633.45	1,022,496.44	304,285.62	140,923.35	21,896,660.84	9,106,928.97	3,096,841.34	\$ 141,806,914.56

### 9.1.3 Program Expenses

Line	Program Expense Category	2014
1	Wages	187,829.58
2	Other Employment Expenses	3,717.87
3	Program Expenses	12,374.11
4	Reporting Expenses	1,269.10
5	Training	
6	Consultants	26,520.30
7	Other Employment Expenses	4,369.13
8	<b>Total</b>	<b>\$ 236,080.09</b>

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

### 9.1.4 Progress in Meeting or Exceeding Goals

Line	Category	Results	Goals
1	Minority Men	13.68%	12.0%
2	Minority Women	1.76%	3.0%
3	Minority Business Enterprise (MBE)	15.44%	15.0%
4	Women Business Enterprise (WBE)	6.42%	5.0%
5	Subtotal Women & Minority Business Enterprise (WMBE)	21.86%	20.0%
6	Disabled Veteran Business Enterprise (DVBE)	2.18%	1.5%
7	<b>Total WMDVBE</b>	<b>24.04%</b>	<b>21.5%</b>

### 9.1.5 Summary of WMDVBE Subcontractors

	Minority Men	Minority Women	Total MBE	Total WBE	Total WMBE	Total DVBE	Total WMDVBE
Direct \$	18,738,621.61	2,147,974.81	20,886,596.42	4,052,221.25	24,938,817.67	127,854.34	\$25,066,672.01
Subcontracting \$	662,489.79	347,574.63	1,010,064.42	5,054,707.72	6,064,772.14	2,968,987.00	\$9,033,759.14
<b>Grand Total</b>	<b>19,401,111.40</b>	<b>2,495,549.44</b>	<b>21,896,660.84</b>	<b>9,106,928.97</b>	<b>31,003,589.81</b>	<b>3,096,841.34</b>	<b>34,100,431.15</b>
	Minority Men	Minority Women	Total MBE	Total WBE	Total WMBE	Total DVBE	Total WMDVBE
Direct %	13.21%	1.51%	14.72%	2.86%	17.58%	0.09%	17.67%
Subcontracting %	0.47%	0.25%	0.72%	3.56%	4.28%	2.09%	6.37%
<b>Grand Total</b>	<b>13.68%</b>	<b>1.76%</b>	<b>15.44%</b>	<b>6.42%</b>	<b>21.86%</b>	<b>2.18%</b>	<b>24.04%</b>
<b>Net Procurement</b>						<b>\$ 141,806,914.56</b>	

WMDVBE Tier II subcontracting remains a critical part of our program. In 2014, we registered more than \$9.0M in subcontracting with WMDVBES, tripling (from \$3M) the opportunities available to WMDVBES.

West Valley Construction Company remains committed to our supplier diversity efforts and has made tremendous progress since 2012. Throughout 2014, West Valley participated in diversity events, seeking partners and raising awareness of West Valley and contractors in general. They worked with suppliers that are qualified vendors to get them registered with the CPUC Clearinghouse and, on some occasions, provided mentoring and other resources to help establish and grow certain enterprises. West Valley remains an integral part of our Supplier Diversity Program, and this partnership will continue through 2015.



### 9.1.6 Complaints

No complaints were received in 2014.

### 9.1.7 Excluded Categories

Line	Description	2014
1	Total Payments	\$332,913,419.15
2		
3	<b>Description of Exclusion</b>	
4	Purchased Power and Water	190,951,800.26
5	Pump Taxes	154,704.33
6	Total Exclusions	191,106,504.59
7	Total Supplier Payments	\$141,806,914.56

### 9.1.8 Supplier Recruitment in Under-Utilized Areas

Supplier recruitment for legal firms remains a challenge for many utilities. Cal Water has a long-standing relationship with WMDVBE firms that provide legal counseling.

For more than seven years, we've worked with Noriega & Oldaker PLC (MBE). In 2014, we discussed the Supplier Diversity Program and assisted them through the certification process to earn their MBE status. SSL Law Firm LLP (WBE) has worked with us since 2012 in many projects. Additionally, we're excited about discovering opportunities with Podo Legal (WBE) for 2015.

This illustrates our inclusion efforts for 2014. In 2015, we'll continue discussing, reviewing, and meeting diverse firms in order to further explore opportunities for engagement.

#### Legal Firms

- SSL Law Firm
- Noriega & Oldaker
- Podo Legal, LLC

### 9.1.9 Justification of Excluded Areas

The amount shown on Table 9.1.7, Line No. 6, "Total Exclusions," is the total of \$191,106,504.59 in payments made in the categories of Purchased Water, Purchased Power, and Replenishment Fees (pump taxes). Other categories subject to Section 8.9, Other Utilities, Taxes, Franchise Fees, and Postage have not been included in the gross procurement. The reporting of these categories as "Exclusions" on Table 9.1.7 by water companies is intended to provide information to staff regarding these categories and to be consistent with the procurement reporting of the energy companies. This procurement reporting specification for water companies was a result of workshops convened by the CPUC's Utility Supplier Diversity Program staff, pursuant to Ordering Paragraph No. 4 of D11-050-019 (in R.09-07-027) and subsequent 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 confusion regarding adaptation of the water companies' procurement reporting to General Order 156 requirements.



### Qualitative Reporting Scorecard

California Water Service submits the following table at the request of the CPUC's Supplier Diversity Program staff members in 2014. The purpose of the "Scorecard" table is to demonstrate the company's compliance with GO 156 requirements.

#### GO 156 OIR SCORECARD FOR CALIFORNIA WATER SERVICE

Year	Capacity- Building and Technical Assistance	Mentor Program	Employee Education on Supplier Diversity	Outreach and Comm. on Supplier Diversity	Mandatory Requirement of TIER II Sub- Contractors	Number of New Cal Water WMDVBE Vendors	Total Value of Cal Water Contracts Awarded to WMDVBES Under \$1M	Number of Contracts Awarded to WMDVBE Vendors (Under \$1M)	Number of Contracts Awarded to WMDVBE Vendors (\$1M - \$5M)	Number of Contracts Awarded to WMDVBE Vendors (Over \$5M)
2011	No	No	Yes	Yes	No	44	N/A	N/A	N/A	N/A
2012	Yes	No	Yes	Yes	No	74	\$5,466,567	68	0	1
2013	Yes	Yes	Yes	Yes	No	103	\$8,147,028	112	0	1
2014	Yes	Yes	Yes	Yes	No	211	\$26,919,546	256	3	0

## 2015 ANNUAL PLAN

### 10.1.1 WMDVBE Annual Goals for 2015

In 2015, Cal Water’s goal is to meet the overall 21.5% spending level as well as the individual goals per category (i.e. MBE, WBE, and DVBE).

### 10.1.2 Program Activities Planned for 2015

We welcome 2015 with the challenge to maintain our Supplier Diversity Program momentum. To that end, we’ve developed a framework to focus our efforts.

Cal Water Supplier Diversity Program				
<p><b>Procurement Policy</b></p> <ul style="list-style-type: none"> <li>• Inclusion in competitive bidding</li> </ul>	<p><b>External Outreach</b></p> <ul style="list-style-type: none"> <li>• Cal Water representatives’ participation</li> <li>• Hosting roundtables and meet-and-greets</li> </ul>	<p><b>Internal Communications</b></p> <ul style="list-style-type: none"> <li>• Company-wide program updates</li> <li>• Vendor search tool update</li> <li>• Vendor information on maps</li> </ul>	<p><b>Subcontracting Opportunities</b></p> <ul style="list-style-type: none"> <li>• Expanding current programs</li> <li>• Initiating new programs</li> </ul>	<p><b>Technical Assistance and Capacity-Building</b></p> <ul style="list-style-type: none"> <li>• Water Technology Training WMDVBE Scholarship Program</li> <li>• California Water Association’s (CWA) Mentor-Protégé Pilot Program (MPPP)</li> <li>• The Supplier Clearinghouse certification assistance</li> </ul>

Our procurement policy will continue supporting the program through opportunities for competitive bidding for our requisitions.

We’ll continue working with several Community-Based Organizations (CBOs) to have a presence in their outreach events, bringing our personnel and prime contractors to the table. We’ll continue hosting roundtables and meet-and-greets to facilitate networking within our organization.

We will also continue our supplier development program to strengthen the competitiveness of WMDVBES for future opportunities.

We’re testing new ideas and technologies to make WMDVBES information available to our decision-makers.

Finally, we’ll continue working with our prime contractors to increase subcontracting opportunities, while our assistance and capacity-building programs will help us increase WMDVBES’ competitiveness.

### 10.1.3 Supplier Recruitment in Under-Utilized Areas

We’ll continue working towards increasing WMDVBE suppliers’ participation in under-utilized areas. We’re proud of our achievements, which are our building blocks to increase opportunities in 2015 for:

- African-American Business Enterprises
- Native-American Business Enterprises
- Service-Disabled Veteran Business Enterprises
- WMDVBE Advertising and Water Conservation Agencies
- WMDVBE Finance and Accounting
- WMDVBE Insurance and Real Estate
- WMDVBE Investment Banking
- WMDVBE Legal Firms

#### 10.1.4 Recruiting WMDVBEs in Excluded Categories

Not applicable.

#### 10.1.5 Plans for Subcontracting

In 2015, our focus will be to maintain and expand our subcontracting opportunities for WMDVBEs.

We'll maintain opportunities by assisting our prime contractors with their sourcing efforts, schedule quarterly performance reviews, and ensure our WMDVBEs remain current in their certifications.

We'll identify primes without a Tier II program and explore opportunities for subcontracting. We'll continue to refer possible vendors for evaluation, and just like in 2014, we'll encourage them to participate with us in outreach events to increase their candidate pool.

Finally, in conjunction with the CWA USDP Committee, we'll host two Prime Contractor Business Opportunity Fairs to bring our primes face to face with possible suppliers.

#### 10.1.6 Complying with WMDVBE Program Guidelines

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

Cal Water will also continue to comply with the General Order 156 program guideline. In 2015, Cal Water will participate in the CPUC's Supplier Diversity Forums and Workshops as requested, and work in partnership with the California Water Association and Joint Utilities to address the challenges faced by WMDVBEs in the procurement process.

Prepared by:

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