



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

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

## **2017 Report and 2018 Plan**

**Prepared by: Timothy O. McLaughlin, C.P.M.**  
Manager, Supplier Diversity and Community Involvement  
In response to CPUC General Order 156



# San Jose Water

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## LETTER FROM OUR CHIEF EXECUTIVE OFFICER

# Message from Eric Thornburg, CEO San Jose Water

Since joining San Jose Water as Chief Executive Officer in November of 2017, our leadership team has focused on how we can build on our strong heritage, while addressing enhancements necessary to take on the future. At San Jose Water it is our mission to be trusted professionals delivering exceptional quality water and service to customers and communities while protecting the environment and providing a fair return to shareholders.



We recognize that, in order to accomplish this mission, we must honor our core values of Integrity, Respect, Service, Compassion, Trust, Teamwork and Transparency, while focusing on the following strategic building blocks:

- Customers
- Community
- Employees
- Environment
- Shareholders

Our Supplier Diversity strategy fits firmly within the framework of our mission, values, and strategic building blocks, representing an important part of our Corporate Social Responsibility (CSR) program. I am pleased to report that, in 2017, San Jose Water achieved an 11% increase in dollars spent with Diverse Business Enterprises (DBEs). We experienced a significant increase in overall DBE spend, Minority (MBE) and Women (WBE) spend, and both direct and subcontracting DBE spend, although we experienced slight decreases in both Disabled Veteran Business Enterprise (DVBE) and Lesbian, Gay, Bi-sexual and Transgendered (LGBT) spend. San Jose Water spent \$24.5M with DBE's in 2017, representing 17.2% of our overall addressable procurement spend.

San Jose Water is committed to continuously improving our Supplier Diversity Program. Recent changes will greatly enhance our program and position us well for future growth and are detailed in the 2018 Plan section of our report. We will also continue to focus on growing our very successful Prime Supplier Subcontracting Program within our capital improvement budget.

We recognize that partnering with DBEs is an important part of San Jose Water's success. We can best accomplish our mission with a diverse supply chain that enables us to be more competitive and enhance the economic vitality of the communities we serve.

Eric Thornburg - CEO  
San Jose Water

# San Jose Water



This filing is in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156 and contains the 2017 Annual Report and the 2018 Annual Plan of San Jose Water's Utility Supplier Diversity Program (USDSP). The annual report describes the program activities and results achieved by SJW for the period of January 1, 2017 through December 31, 2017. For purposes of this report Women, Minority, Disabled Veteran, and Lesbian, Gay, Bisexual, and Transgendered Business Enterprises (WMDVLGBTBE) shall be referred to as Diversity Business Enterprises (DBE's).



## 2017 ANNUAL REPORT

# Summary of Program and Highlights

San Jose Water's (SJW) commitment to the CPUC's Utility Supplier Diversity Program (USDP) and its goal to provide access and opportunity to DBE's continues to progress through both program and process development. Our diverse business utilization percentage for 2017 was 17.2%, an 8% increase as compared to 2016, representing supplier diversity results that outpaced our 3% growth in net spend.

The company's procurement for goods and services with DBEs was \$24.5M, an 11% increase in dollars spent, as compared to 2016. Prime Supplier subcontracting participation to diverse companies increased by \$1.4M (16%), as compared to 2016 results, totaling nearly \$10.4M. We also increased the dollars spent with Minority Owned Businesses (5%) and Women Business Enterprises (39%). Unfortunately, we saw a decline in our Disabled Veteran Owned Businesses as the spend declined from .71% to .28%.

In 2017 SJW finalized significant changes to its supplier diversity systems and reporting process allowing for more timely access to data. This was accomplished with the aid of Avisare Corp., an African American - Woman owned firm specializing in procurement software as a service, with a special emphasis on maintaining accurate supplier diversity data. This effort has resulted in increased tracking and reporting accuracy and has provided SJW with a sound baseline from which to build.

SJW is an active participant and contributor to the California Water Association's (CWA) USDP. Under the CWA USDP, we have continued our Technical Assistance Program (TAP), Meet the Primes Program and supported numerous Community Business Organizations (CBO's) through participation in and/or sponsorship of many events throughout the State of California.



## SJW'S 2017 USDP HIGHLIGHTS

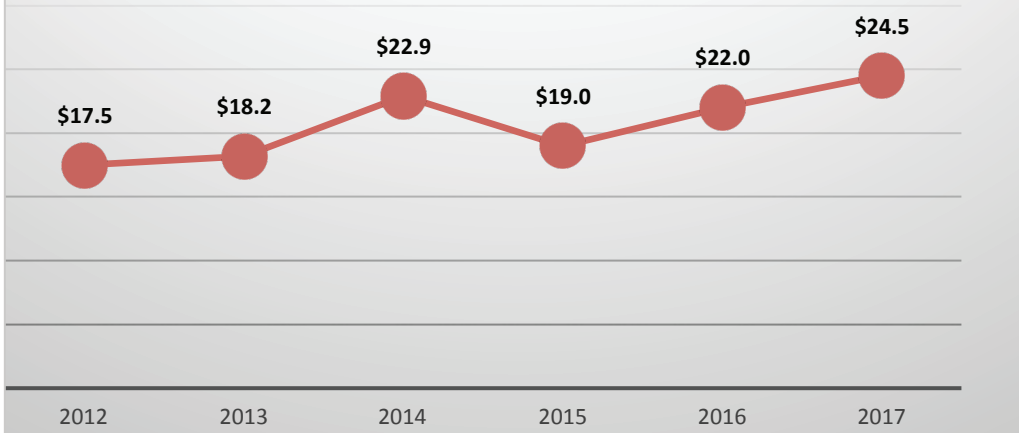
### SJW 2017 Achievements:

- Overall spend with diverse suppliers increased by 11%
- Prime Supplier Program subcontracting increased by 16%
- Minority Business Enterprise spend increased by 5%
- Women Business Enterprise spend increased by a total of 39%
- SJW realized a significant portion of the expected total diverse subcontracting through the commitment on one of our largest and technically complex capital intensive projects, the Montevina Water Treatment Plant upgrade. Diverse subcontracting associated with the project increased from \$2.5M in 2016 to \$4.8M in 2017
- SJW contracted with Avisare Corp. to provide an innovative supplier registration portal that enables registrant profiles to be seen by multiple external corporations
- The final phase of our data integrity program was completed resulting in increased tracking and reporting accuracy. This will allow for increased periodic reporting of supplier diversity results throughout 2018 and beyond
- In January of 2017, Tim McLaughlin, Supplier Diversity Manager for SJW, became President of the Industry Council for Small Business Development (ICSBD), advocating for small and diverse businesses in the Silicon Valley and surrounding areas
- SJW is now in our third year of a new reporting process that has established a more accurate and robust baseline from which to move forward. This baseline is depicted in the following section "Year on Year Progress - Under the Guidelines of GO156"

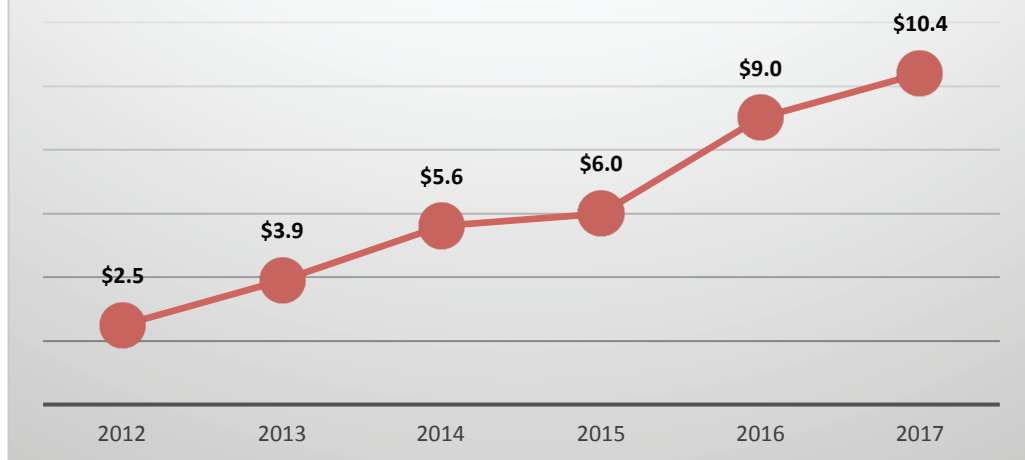
Program Baseline Statistics	Statistic		
	2015	2016	2017
Total procurement spend:	\$221M	\$260M	\$294M
Total addressable spend:	\$110M	\$138M	\$142.6M
Overall spend with diverse suppliers:	\$19M	\$22M	\$24.5M
Direct spend with diverse suppliers:	\$13M	\$13M	\$14.1M
Prime Supplier Program, subcontracting with diverse suppliers:	\$6M	9M	\$10.4M
Total Minority Business Enterprise (MBE) Spend:	\$13.1M	\$14.9M	\$15.6M
Total Women Business Enterprise (WBE) Spend:	\$5.5M	\$6.1M	\$8.5M
Total Disabled Veteran Business Enterprise (DVBE) Spend:	\$432K	\$971K	\$395K
Total Lesbian, Gay, Bisexual, Transgendered Business Enterprise Spend (LGBTBE) Spend:	\$0	13K	\$4.0K
Total number of diverse suppliers within the SJWC supplier diversity program:	57	48	48
Number of diverse suppliers doing business directly with SJWC:	34	32	31
Number of diverse suppliers doing business with SJWC through subcontracting:	28	28	21



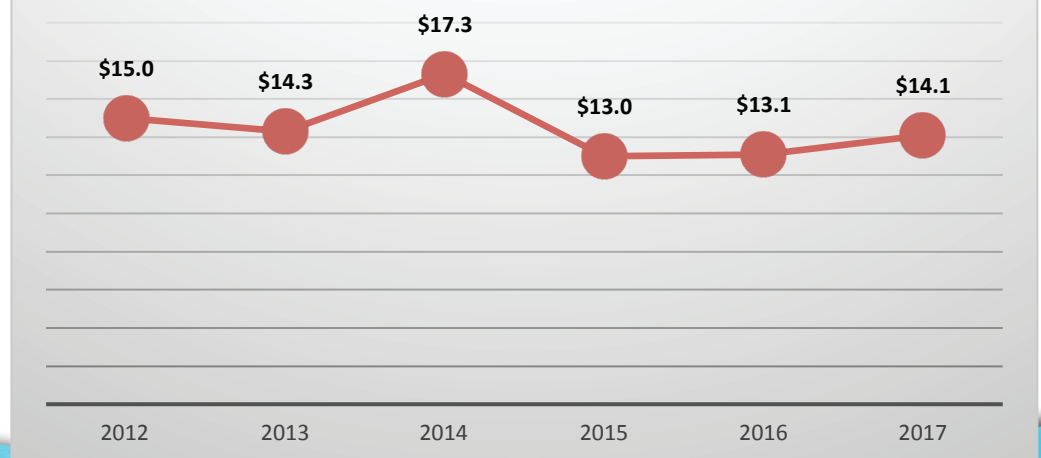
### Diverse Procurement Trend (\$M)



### Diverse Subcontracting Trend (\$M)



### Diverse Direct Trend (\$M)





### 9.1.1

# Description of WMDVLGBTBE Program Activities during the Previous Calendar Year

SJW completed the last phase of system and process modifications related to supplier diversity tracking and reporting. These changes included the following:

- Audit and data cleanse of our internal procurement system
- Updating Tax Id's, Standard Industry (SIC) Codes and other field related to supplier diversity tracking and reporting
- Each new supplier must be reviewed by the Supplier Diversity Manager to insure proper supplier diversity coding within the internal procurement system
- SJW replaced our diverse supplier registration portal with a 3rd party system, provided by Avisare Corp., an African-American, woman owned business, allowing registrants to be seen by not only SJW, but other corporations and organizations that use the Avisare platform

In 2018 SJW will renew its mission, vision and values. Discussions related to this transformation began in 2017 with focus on all areas of our business, including supplier diversity. Specific supplier diversity discussions taking place in 2017 included:

1. Increased focus on areas of our business that constitute the highest spend, including construction, engineering and Information Technology (IT)
2. Shifting the focus of our Champions Program toward the departmental level
3. Evaluating potential changes to departmental supplier diversity goals
4. Potential changes to our Request For Proposal (RFP) process, providing increased opportunities to DBE's

Results of these 2017 discussions will be detailed in the 2018 Annual Plan.

## Internal Activities:

- Three Supplier Diversity Champions meetings were conducted in 2017 with emphasis on the previous year's results, opportunities for improvement, identification of individuals responsible for RFP creation and system/process improvements
- Continued emphasis on Prime Supplier subcontracting participation leading to a 16% increase in subcontracting to diverse businesses. In 2017, subcontracting made up 42% of SJW overall supplier diversity results
- Gained commitment from IT and Construction / Engineering, to conduct two internal supplier diversity matchmaking days in 2018



# External Activities:

SJW Supplier Diversity and Community Involvement Manager, held the following leadership positions in 2017:

- Elected President of the Industry Council for Small Business Development (ICSBD) for the term January 1 through December 31, 2017
- Continued to serve for the second year on the Institute of Supply Management's (ISM's) Diversity Committee
- For the second year, represented the CWA-USDP on the Disabled Veteran Business Alliance Advisory Council
- Served on the National Utility Diversity Council (NUDC) Advisory Committee for the Brooklyn Brainstorm event

SJW continues the company's outreach efforts by participating in CBO events that include partnerships with DBEs, both locally and throughout the State of California. Building relationships and understanding the needs/capabilities of each CBO remains a critical success factor in driving more diverse spend at SJW. Partnering with the organizations listed below enables SJW to play a key role in educating diverse businesses on the process of working with SJW and all utilities in general:

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

SJW also partners with other CWA's Class A members as part of the CWA USDP committee. SJW often represents the CWA USDP at various CBO events, tradeshow, and matchmakers.



## CBO Involvement / Presentations

Tim McLaughlin, Manager of Supplier Diversity and Community Involvement, participated in multiple panels and presentations throughout 2017:

- Multiple monthly meeting of the local chapter of the Elite SDVOB Network
- Panelist at the National Utility Diversity Council's (NUDC's) Back to Brooklyn event on May 18, 2017
- Featured speaker at the monthly luncheon for the 2017 joint CWA-Minority Business Development Association (MBDA) technical assistance program on September 7, 2017
- Participated as judge of the San Jose State University (SJSU) Innovation Challenge on November 29, 2017
- On December 4, 2017 SJW Supplier Diversity and Community Involvement Manager participated with Cal Water Services Supplier Diversity Manager, in a radio interview with KDOW. The interview was requested by the Silicon Valley Black Chamber of Commerce and focused on supplier diversity programs, contractual opportunities, certification process and the supplier diversity impact within our communities

## Joint Utility Meetings

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



# CBO, Tradeshow, Conference, and other Outreach Events

SJW's participation at outreach and community events listed below afford supplier diversity champions the opportunity to introduce qualified suppliers to the procurement process. A brief list of 2017 outreach participation includes:

- Institute of Supply Management (ISM), Diversity Conference, March 1-3, 2017
- Southern California Minority Supplier Development Council, Minority Business Opportunity Day (MBOD), March 12-13, 2017
- Women's Business Enterprise National Council, Summit and Salute, March 21-23, 2017
- Seventh Annual SBA Southern California 8(a) Conference, April 12, 2017
- Disabled Veteran Business Alliance, Keeping the Promise, April 25-27, 2017
- CPUC Small Business Expo, May 3, 2017
- NMSDC Leadership Awards Dinner, May 17, 2017
- National Utility Diversity Council (NUDC), Back to Brooklyn Conference, May 18, 2017
- ISM Annual Conference 2017 Fundamentals of Purchasing, May 21-25, 2017
- California Water Association, Prime Supplier Matchmaker, June 6, 2017
- WBENC National Convention and Business Fair, June 18-22, 2017
- California Construction Expo, July 20-21, 2017
- American Indian Chamber of Commerce(AICOC) 2017 Expo, July 23-25 , 2017
- NGLCC National Convention, August 1-4, 2017
- Western Regional Minority Supplier Development Council (WRMSDC), Business and Construction Expo, August 10, 2017
- California Black Chamber of Commerce Conference, August 17-19, 2017
- California Hispanic Chamber of Commerce Conference, August 23-25, 2017
- California Public Utilities Commission, En Banc, October 5, 2017
- Elite SDVOB Northern California Conference, September 16-17, 2017
- CPUC Fall Expo, October 18-19, 2017
- National Minority Supplier Development Council (NMSDC), National Conference, October 22-26, 2017
- Veterans in Business (VIB) Network National Conference, November 6-7, 2017
- Disabled Veteran Business Alliance, Salute to Veterans Breakfast, November 10, 2017



## 9.1.2

# WMDVLGBTBE Annual Results by Ethnicity

### 2017 Report • G.O. #156 Sec. 9.1.2

		Direct	Sub	Total \$	%
1	Asian Pacific American	\$125,236	\$252,994	\$378,230	0.27%
2	African American	\$7,000	\$0	\$7,000	0.00%
3	<b>Minority Male</b> Hispanic American	\$9,047,874	\$1,483,927	\$10,531,801	7.38%
4	Native American	\$1,638,261	\$38,439	\$1,676,700	1.18%
5	Total Minority Male	\$10,818,371	\$1,775,360	\$12,593,731	8.83%
6	Asian Pacific American	\$2,730,926	\$0	\$2,730,926	1.91%
7	African American	\$61,127	\$0	\$61,127	0.04%
8	<b>Minority Female</b> Hispanic American	\$0	\$235,531	\$235,531	0.17%
9	Native American	\$0	\$0	\$0	0.00%
10	Total Minority Female	\$2,792,053	\$235,531	\$3,027,584	2.12%
11	Total Minority Business Enterprise (MBE)	\$13,610,424	\$2,010,891	\$15,621,315	10.95%
12	Women Business Enterprise (WBE)	\$516,542	\$7,987,246	\$8,503,788	5.96%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$3,684	\$297	\$3,981	0.00%
14	Disabled Veteran Business Enterprise (DVBE)	\$0	\$394,745	\$394,745	0.28%
15	Other 8(a)*	\$0	\$0	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>	<b>\$14,130,649</b>	<b>\$10,393,179</b>	<b>\$24,523,828</b>	<b>17.20%</b>
17	<b>Net Procurement**</b>	<b>\$142,617,718.0</b>			

**NOTE:**

\* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

# San Jose Water

## 9.1.2

### WMDVLGBTBE Direct Procurement by Product and Service Categories

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

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	<b>Minority Male</b>	Asian Pacific American	Direct	\$3,147	0.00%	\$122,088	0.09%	\$125,235	0.09%
2		African American	Direct	\$0	0.00%	\$7,000	0.00%	\$7,000	0.00%
3		Hispanic American	Direct	\$806,685	0.57%	\$8,241,189	5.78%	\$9,047,874	6.34%
4		Native American	Direct	\$1,638,261	1.15%	\$0	0.00%	\$1,638,261	1.15%
5		Total Minority Male	Direct	\$2,448,093	1.72%	\$8,370,277	5.87%	\$10,818,370	7.59%
6	<b>Minority Female</b>	Asian Pacific American	Direct	\$38,502	0.03%	\$2,692,423	1.89%	\$2,730,925	1.91%
7		African American	Direct	\$6,127	0.00%	\$55,000	0.04%	\$61,127	0.04%
8		Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
9		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female		\$44,629	0.03%	\$2,747,423	1.93%	\$2,792,052	1.96%
11	Total Minority Business Enterprise (MBE)	Direct	\$2,492,722	1.75%	\$11,117,700	7.80%	\$13,610,422	9.54%	
12	Women Business Enterprise (WBE)	Direct	\$124,807	0.09%	\$391,735	0.27%	\$516,542	0.36%	
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Direct	\$3,684	0.00%	\$0	0.00%	\$3,684	0.00%	
14	Disabled Veteran Business Enterprise (DVBE)	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%	
15	Other 8(a)*	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%	
16	<b>TOTAL WMDVLGBTBE</b>	<b>Direct</b>	<b>\$2,621,213</b>	<b>1.84%</b>	<b>\$11,509,435</b>	<b>8.07%</b>	<b>\$14,130,648</b>	<b>9.91%</b>	
17	<b>Total Product Procurement</b>		<b>\$2,621,213</b>						
18	<b>Total Service Procurement</b>				<b>\$11,509,435</b>				
19	<b>Net Procurement**</b>				<b>\$142,617,718</b>				
20	<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>		<b>31</b>						

NOTE:

\* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT



## 9.1.2

# WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

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

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	<b>Minority Male</b>	Asian Pacific American	Sub	\$0	0.00%	\$252,994	0.18%	\$252,994	0.18%
2		African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
3		Hispanic American	Sub	\$584,777	0.41%	\$899,150	0.63%	\$1,483,927	1.04%
4		Native American	Sub	\$38,439	0.03%	\$0	0.00%	\$38,439	0.03%
5		Total Minority Male	Sub	\$623,216	0.44%	\$1,152,144	0.81%	\$1,775,360	1.24%
6	<b>Minority Female</b>	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
7		African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Sub	\$235,491	0.17%	\$40	0.00%	\$235,531	0.17%
9		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Sub	\$235,491	0.17%	\$40	0.00%	\$235,531	0.17%
11	Total Minority Business Enterprise (MBE)		Sub	\$858,707	0.60%	\$1,152,184	0.81%	\$2,010,891	1.41%
12	Women Business Enterprise (WBE)		Sub	\$0	0.00%	\$7,987,246	5.60%	\$7,987,246	5.60%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0	0.00%	\$297	0.00%	\$297	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$6,500	0.00%	\$388,245	0.27%	\$394,745	0.28%
15	Other 8(a)*		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>		<b>Sub</b>	<b>\$865,207</b>	<b>0.61%</b>	<b>\$9,527,972</b>	<b>6.68%</b>	<b>\$10,393,179</b>	<b>7.29%</b>
17	<b>Total Product Procurement</b>			<b>\$865,207</b>					
18	<b>Total Service Procurement</b>					<b>\$9,527,972</b>			
19	<b>Net Procurement**</b>			<b>\$142,617,718</b>					

**NOTE:**

\* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT



9.1.2

# WMDVLGBTBE Procurement by Standard Industrial Categories

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SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)		Women Business Enterprise (WBE)		Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Disabled Veterans Enterprise (DYBE)		Other (a)**		Total WMDVLG-BTBE		Total Dollars
	Male		Female		Male		Female		Male		Female		Male		Female		Male		Female		
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	
7	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$1,269,322
8	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$200
13	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$195,742
14	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$3,830
15	\$0	0.0%	\$0	0.0%	\$364	0.0%	\$0	0.0%	\$364	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$9,926,964
16	\$0	0.0%	\$0	0.0%	\$6,108,827	0.0%	\$0	0.0%	\$6,108,827	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$31,414,005
17	\$252,994	0.2%	\$2,541,432	1.8%	\$2,541,432	1.8%	\$0	0.0%	\$2,794,427	2.0%	\$4,848,907	3.4%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$37,152,694
22	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$5,834
23	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$11,136
25	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$3,684	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$3,684
26	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$2,980
27	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$210,633
28	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$310,641
29	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$74,335
30	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$51,204
32	\$0	0.0%	\$0	0.0%	\$312,819	0.2%	\$235,534	0.2%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$57,610
33	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$8,607,722
34	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$701,270
35	\$3,000	0.0%	\$707	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$20,122	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$1,906,935
36	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$315,256
37	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$2,005,192
38	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$1,075,573
39	\$0	0.0%	\$28,647	0.0%	\$0	0.0%	\$0	0.0%	\$28,647	0.0%	\$86,122	0.1%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$304,635
42	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$1,921,158	1.3%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$2,087,731
45	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$4,599
47	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
48	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$53,567
49	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$1,028,353
50	\$147	0.0%	\$6,127	0.0%	\$245,264	0.2%	\$833,379	0.6%	\$251,539	0.2%	\$18,564	0.0%	\$279	0.0%	\$6,500	0.0%	\$0	0.0%	\$0	0.0%	\$1,633,189
51	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$833,379	0.6%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$885,232
52	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$1,442,238
53	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$48,393
54	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$344,246
55	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$708,256
57	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$68,340
58	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$87,941	0.1%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$91,321



# 9.1.2

## WMDVLGBTBE Procurement by Standard Industrial Categories (continued)

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLG-BTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
59	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$101,293
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
60	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,503
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
62	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$201,493
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
63	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$311,434
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
64	\$	\$0	\$7,000	\$0	\$0	\$0	\$0	\$0	\$7,000	\$0	\$0	\$0	\$0	\$0	\$935,687
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%
65	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,142
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
67	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,060
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
70	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,040
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
72	\$	\$0	\$0	\$0	\$304,591	\$0	\$0	\$0	\$304,591	\$0	\$0	\$0	\$0	\$0	\$1,242,299
%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%
73	\$	\$0	\$325,963	\$0	\$55,000	\$0	\$0	\$0	\$380,963	\$20,766	\$0	\$388,245	\$0	\$789,974	\$11,656,222
%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.3%	0.6%	0.0%	0.6%	8.2%
75	\$	\$0	\$2,366,460	\$0	\$10,909	\$0	\$0	\$0	\$2,377,369	\$1,254,747	\$0	\$0	\$0	\$3,632,116	\$4,115,137
%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	0.9%	0.0%	0.0%	0.0%	2.5%	2.9%
76	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$107,727
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
79	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,988
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
80	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
81	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,726,072
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%
82	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,022
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
83	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,359
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
86	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
87	\$	\$122,088	\$0	\$0	\$174,218	\$0	\$0	\$0	\$296,306	\$147,773	\$0	\$0	\$0	\$444,079	\$28,358,549
%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%	0.3%	19.9%
89	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$201,028
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
92	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,937
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
93	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
94	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
95	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$15,009
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
96	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	\$	\$378,230	\$2,730,926	\$7,000	\$61,127	\$10,531,801	\$235,531	\$1,676,700	\$15,621,315	\$8,503,787	\$3,963	\$394,745	\$0	\$24,523,811	\$152,387,344.42
%	0.3%	1.9%	0.0%	0.0%	7.4%	0.2%	1.2%	0.0%	11.0%	6.0%	0.0%	0.3%	0.0%	17.2%	106.9%

Total Product Procurement \$3,486,420  
 Total Service Procurement \$21,037,407  
 Net Procurement\*\*\* \$142,617,718

NOTE: \*FIRMS WITH MULTIPLE MINORITY OWNERSHIP STATUS  
 \*\*FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\*\*NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY  
 % - PERCENTAGE OF TOTAL DOLLARS  
 \*\*\*\* Reflects data for all direct SJWC DBE spend

# San Jose Water

## 9.1.2

# Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

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

### Data on Number of Suppliers

# WMDVLGBTBEs	Revenue Reported to CHS					Utility-Specific 2016 Summary						
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	5	2	1			8	18	9	1			28
Under \$5 million	4	4				8	3					3
Under \$10 million	2	1				3	1					1
Above \$10 million	9	2				11						0
<b>TOTAL</b>	<b>20</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>22</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>32</b>

### Revenue and Payment Data

WMDVLGBTBE \$M	Revenue Reported to CHS					Utility-Specific 2016 Summary						
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$1,396,733	\$1,454,272	\$373,567.00			\$3,224,572	\$1,813,128	\$516,542	\$3,684			\$2,333,354
Under \$5 million	\$7,290,294	\$3,508,791				\$10,799,085	\$5,688,469					\$5,688,469
Under \$10 million	\$14,421,326	\$7,200,000.00				\$21,621,326	\$6,108,827					\$6,108,827
Above \$10 million	\$6,985,517,616	\$37,484,062				\$7,023,001,678						\$0
<b>TOTAL</b>	<b>\$7,008,625,969</b>	<b>\$49,647,125</b>	<b>\$373,567</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,058,646,661</b>	<b>\$13,610,424</b>	<b>\$516,542</b>	<b>\$3,684</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,130,650</b>

**NOTE:**

\* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

CHS: SUPPLIER CLEARINGHOUSE

\*\* Reflects data for all direct SJWC DBE spend



## 9.1.2

# Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

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

In 2017, SJW conducted business directly with 27 diverse companies headquartered\* in California with a total workforce of 1,828 employees and a total average annual revenue of \$665M. The average revenue for a supplier within this data set is \$25M.

\* Information for this report was taken from the CPUC Clearinghouse database as of 12/31/2017. It is assumed that suppliers listed in the Clearinghouse, with California addresses, are California-based companies, and the number of employees listed for these suppliers are all part of the California workforce.



9.1.3

# WMDVLGBTBE Program Expenses

San Jose Water • G.O. #156 Sec. 9.1.3

Expense Category	2017 (Actual)
Wages	\$93,730
Other Employee Expenses	\$0
Program Expenses	\$96,300
Reporting Expenses	\$5,000
Training	\$0
Consultants	\$3,623
Other	\$22,962
<b>TOTAL</b>	<b>\$221,615</b>

## 9.1.4

# Description of Progress in Meeting or Exceeding Set Goals

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

SJW's diverse business utilization for 2017 was 17.2%, an 8% increase in spend percentage, as compared to 2016, representing growth that outpaced our 3% increase in net spend. Although our 2017 results show growth, SJW fell short of the 21.5% overall goal promoted by the CPUC.

The primary factor affecting our ability to meet the 21.5% goal is the relatively stable net spend and associated supply chain found at SJW. As our net spend stayed relatively stable from 2016 to 2017, we experienced a similar stability within our supply base. The top 80% of our net spend is comprised of approximately 25 suppliers. Most of these 25 suppliers are involved in multi-year contracts, therefore, there have been relatively few bid opportunities within this supply base. As a result, our direct spend with DBEs remained somewhat static in 2017 and we have relied on our Prime Supplier subcontracting program for additional growth.

This scenario represents one of the challenges faced by a smaller utility in striving to achieve results in this area, and therefore we see our 8% increase in DBE spend percentage and associated 11% increase in spend dollars, as a positive result for 2017.



9.1.4

# WMDVLGBTBE Results and Goals

San Jose Water • G.O. #156 Sec. 9.1.4

Category	2017 Results	2017 Goals
Minority Men	8.83%	7.50%
Minority Women	2.12%	7.50%
Minority Business Enterprise (MBE)	10.95%	15.00%
Women Business Enterprise (WBE)	5.97%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.00%	0.00%
Disabled Veteran Business (DVBE)	0.28%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>17.20%</b>	<b>21.50%</b>

% - PERCENTAGE OF NET PROCUREMENT

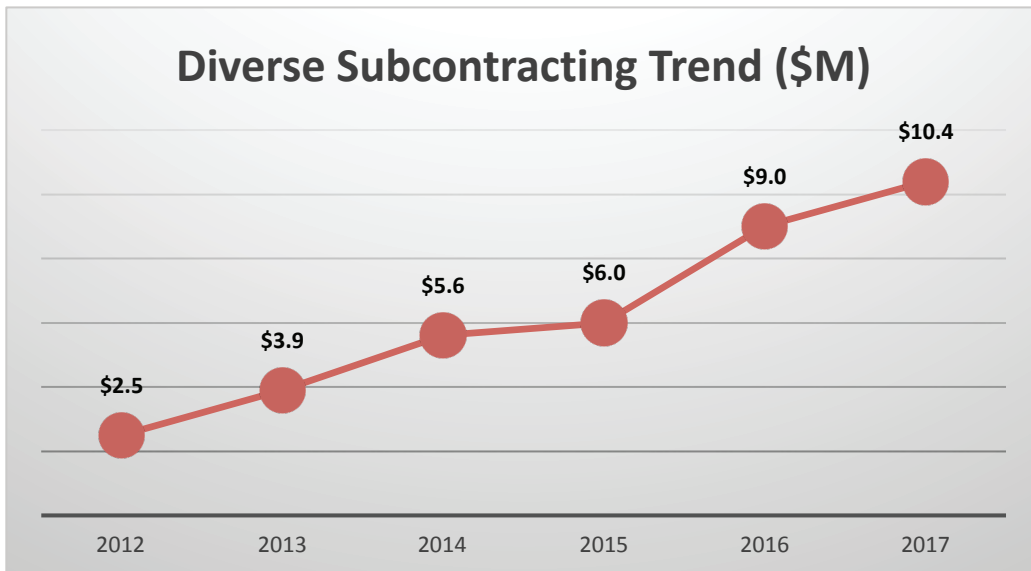


### 9.1.5

## Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

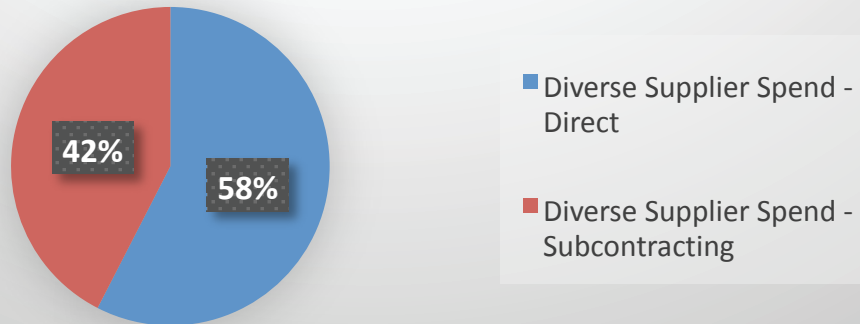
### San Jose Water • G.O. #156 Sec. 9.1.5

In 2017, Prime Supplier subcontracting participation to diverse companies increased by \$1.4M (16%), as compared to 2016 results, totaling nearly \$10.4M reported through prime supplier subcontracting. Supplier Diversity, Champions, and Sourcing personnel continue to work with prime suppliers to increase utilization of diverse businesses. SJW drives its prime suppliers to review their operations to identify areas suitable for diverse supplier participation. The Prime Supplier Program continues to grow as evidenced by the year-on-year progress listed below:





## 2017 Diverse Spend



### Prime Supplier Matchmaking Events

In 2017, SJW partnered with other CWA USDP members to sponsor and lead a Prime Supplier Matchmaking event held on October 6, 2017. The matchmaker event, held in northern California, provided information to DBEs on how to participate in key water company capital projects and gave water utility prime suppliers the chance to interface with a variety of qualified diverse companies.



### 9.1.5

# Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

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

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLG-BTBE
Direct \$	\$10,818,371	\$2,792,053	\$13,610,424	\$516,542	\$3,684	\$0	\$0	\$14,130,649
Subcontracting \$	\$1,775,360	\$235,531	\$2,010,891	\$7,987,246	\$0	\$394,745	\$0	\$10,392,882
<b>Total \$</b>	<b>\$12,593,731</b>	<b>\$3,027,584</b>	<b>\$15,621,315</b>	<b>\$8,503,788</b>	<b>\$3,684</b>		<b>\$0</b>	<b>\$24,523,531</b>
Direct %	7.59%	1.96%	9.54%	0.36%	0.00%	0.00%	0.00%	9.91%
Subcontracting %	1.24%	0.17%	1.41%	5.60%	0.00%	0.28%	0.00%	7.29%
<b>Total %</b>	<b>8.83%</b>	<b>2.12%</b>	<b>10.95%</b>	<b>5.96%</b>	<b>0.00%</b>	<b>0.28%</b>	<b>0.00%</b>	<b>17.20%</b>

<b>Net Procurement**</b>	<b>\$142,617,718</b>
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NOTE:  
 \*FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\*NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 % - PERCENTAGE OF NET PROCUREMENT  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT

9.1.6

A List of WMDVLGBTBE Complaints Received and Current Status

San Jose Water • G.O. #156 Sec. 9.1.6

SJWC did not receive any formal complaints about the USDP program in 2017.





## 9.1.7

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

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

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

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

### **Diverse Suppliers in Underutilized Areas**

During 2017, SJW worked to increase diverse spending in areas in which such supplier utilization has traditionally been low. As a result, SJW increased diverse spend in the following categories:

- Prime Supplier subcontracting participation to diverse companies increased by \$1.4M (16%), as compared to 2016 results, totaling nearly \$10.4M
- Total dollars spent with Minority Owned Businesses increased by 5%
- Women Business Enterprise spend increased by 39%

9.1.11

WMDVLGBTBE Fuel Procurement

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

Not applicable



## SUCCESS STORY 1:

In 2017, through the California Water Association we established a partnership with the San Jose-, Fresno-, and Los Angeles-Minority Business Development Agency to host a series of quarterly workshops across the state.



Our first workshop in Sacramento had 74 RSVPs and included discussions on doing business with the water utilities, bonding, and access to capital in the form of state- and federal-guaranteed loans. We featured speakers from the Small Business Administration, Suhr Risk Services and the California Capital Financial Development Corporation.



The second workshop in Los Angeles had 90 RSVPs and featured discussions on doing business with the water utilities, bonding 101/SBA Program and access to capital in the form of an SBA-moderated panel discussion, with lending officers from Boston Private Bank and Trust, Bank of America and Pacific Western Bank. This innovative approach allowed for suppliers to get perspectives from small, medium and large lending entities. We applaud MBDA's Siew Yee Lee for her creativity in addressing a well-known topic.



We hosted our third workshop in San Jose partnering with PG&E and the Santa Clara Valley Transportation Authority. The focus was on Effective Marketing to Public Utilities and we brought two experts from the community to give their perspective to diverse suppliers. Shirley Tan, from The Systems Coach spoke about identifying your ideal customer prior to crafting your marketing message and website. Teri Williams, Regional Monterey Bay Procurement Technical Assistance Center, discussed best practices for writing capabilities statements. We concluded the event with a panel discussion moderated by Hien Tran from **Anvil Builders (DVBE # 11030010)**. With 119 RSVPs the event proved a success.



# San Jose Water

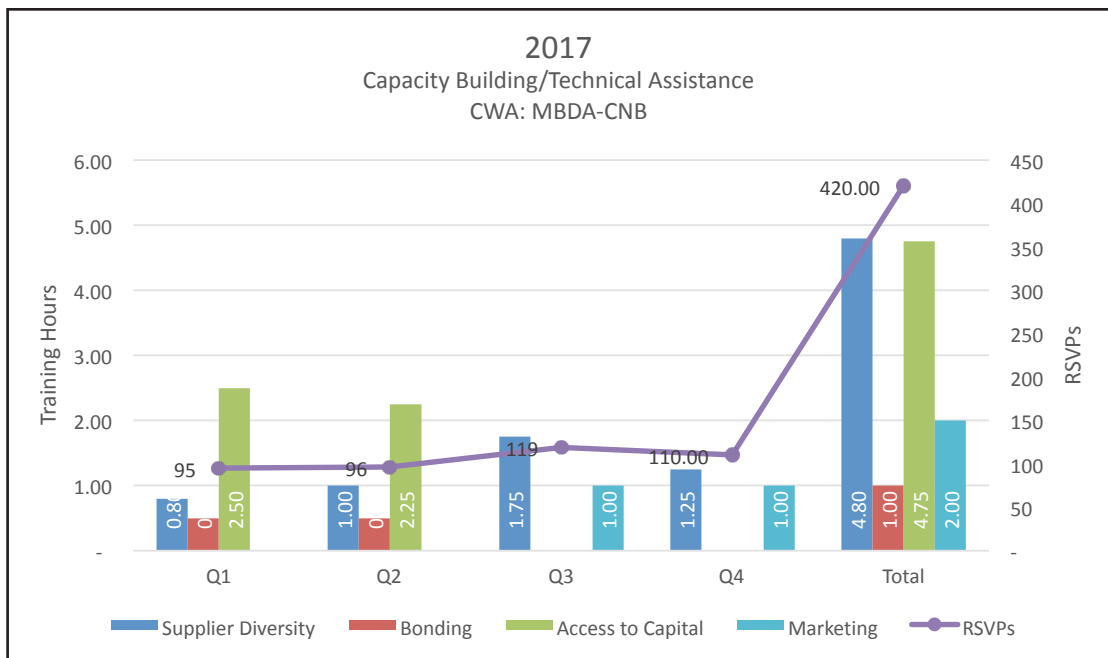
For our final workshop in San Diego, we partnered with a Google Digital Coach to discuss digital marketing strategies. Suppliers had the opportunity to ask questions at a final panel on doing business with the utilities moderated by Aestocia Ramirez from **Lyden Electric (VON# 14090099)** with the participation of San Gabriel Valley Water, Cal American Water, Metropolitan Water District of Southern California and San Diego County Water Authority. We had 110 RSVPs for the event.

With an added focus on access to capital, we established a relationship with Higher Growth Strategies, LLC and City National Bank (CNB) to host two workshops solely focused on alternative loan vehicles.

Our Los Angeles workshop featured a CNB Community Reinvestment Officer discussing on how to establish a bank relationship, identify capital needs, sources and criteria.

In San Francisco, our second workshop hosted a CNB Community Development Officer who addressed alternative capital sources to banks, such as credit unions and community-based lending entities.

To summarize, in 2017 a total of 12.55 training hours in Supplier Diversity, Bonding, Access to Capital and Marketing were accessible to 420 RSVPs as part of the California Water Association’s Capacity Building and Technical Assistance Program.



## SUCCESS STORY 2:

### San Jose Water/Avisare Success Story



San Jose Water (SJW) was introduced to Sky Kelley, founder of Avisare, while attending the Women's Business Enterprise National Council (WBENC) diversity conference in 2015. Beginning in 2017, SJW began utilizing Avisare to provide a platform for SJW's supplier diversity program that is ongoing today to grow the overall supplier diversity program. During this process, Avisare became the 17th African-American led company to raise over \$1M in venture capital (VC) funding, while being accepted into the prestigious, global Techstars accelerator program. Avisare recently completed its \$1.5 million seed round of VC funding. In addition, the government agencies of Los Angeles World Airports (LAWA), California Energy Commission (CEC), and Los Angeles Department of Water and Power (LADWP) have partnered with Avisare as customers.

As a certified Woman and Minority Business Enterprise (WMBE), Avisare has first-hand experience navigating the challenges within the current supplier diversity process and identifying the solutions necessary for game changing improvement. Avisare provided the ability for SJW to identify vendors that expressed interest in conducting business, add them to a dedicated bid list, engage them through RFX processes, and track the results at each phase in the procurement lifecycle. The platform's centralization of vendor information was instrumental in streamlining the supply chain process in an accurate, standardized, and comprehensive format that SJW is using in its annual diversity report. SJW introduced Avisare to the CPUC (Clearinghouse) certification as well as made an introduction to CPUC executives so that it can bid on the contract to become the CPUC Clearinghouse platform of record. SJW has been instrumental in introducing Avisare to additional clients throughout the California Water Association. This is a perfect example of how a supplier diversity program can have a significant impact on the growth of diverse businesses.

Avisare is a modern SaaS platform that levels the playing field for small businesses to compete for government & corporate contracts, resulting in economic development while creating a more just world. Avisare helps government entities and corporations find and vet suppliers based on their needs while promoting environmental sustainability, innovation and diversity in the global supply chain. As a central marketplace connecting small businesses with contract opportunities, Avisare includes several features that revolutionize the sourcing process centered on collaboration, transparency, robust tracking and reporting.

Learn more about Avisare by visiting [www.avisare.com](http://www.avisare.com).



# San Jose Water

## 2018 Annual Plan

### 10.1.1

## WMDVLGBTBE Annual SHORT, MID, and LONG-TERM Goals

### San Jose Water • G.O. #156 Sec. 10.1.1

Category	2017 Results	Short Term Goals	Mid Term Goals	Long Term Goals
Minority Men	8.83%	7.50%	7.50%	7.50%
Minority Women	2.12%	7.50%	7.50%	7.50%
Minority Business Enterprise (MBE)	10.95%	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	5.96%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.00%	0.00%	0.50%	0.50%
Disabled Veteran Business (DVBE)	0.28%	1.50%	1.50%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>17.20%</b>	<b>21.50%</b>	<b>22.00%</b>	<b>22.00%</b>

% - PERCENTAGE OF NET PROCUREMENT

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



## 10.1.2

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

San Jose Water • G.O. #156 Sec. 10.1.2

### Internal Activities:

- Continue the focus necessary to reach the CPUC goal of 21.5% spend with diverse businesses and the associated sub goals for minority, women, DVBE, and LGBT spend
- Work with HR and other stakeholders to launch a new set of supplier diversity metrics to effected departments within SJW. Specific departmental metrics include:
  - Establish one (1) supplier diversity lead/champion for each department within SJW. This individual is to be the point of contact for all supplier diversity activities within that operating unit or department
  - Ensure that all 2018 (current) contractors, vendors and consultants (and their subcontractors) are made aware of, and where necessary, registered as a diverse supplier through the CPUC Clearinghouse
  - In each case that a new, or renewed (contract renewal) business relationship is initiated, a minimum of two CPUC-registered diverse suppliers will be considered
- In conjunction with SJW's focus on improving its website, the supplier diversity section of the SJW website will be updated and streamlined
- SJW's new vendor intake form will be modified to reflect data changes that were made in the SJW ERP system in 2017
- SJW will work with Avisare Corp. to implement the planned Prime Supplier subcontracting reporting portal for all prime suppliers
- SJW will plan and implement two supplier matchmaking events in 2018, in high potential areas of IT and Construction/Engineering
- As a result of work completed in 2017, SJW will provide quarterly progress reports to champions, management and other stakeholders throughout 2018
- Continued focus on the Ambassador Program, identifying and training internal personnel to represent SJW at various supplier diversity events throughout the year

# San Jose Water

## 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 CWA and its members to participate in the Tier 1 capacity building and technical assistance programs
- In 2018, SJW will continue to work with CWA and its member companies to host Business Opportunity Fair meetings, encouraging prime suppliers to increase sub-contracting participation. Two Meet the Primes events are scheduled to take place in 2018, one each in northern and southern California
- SJW will continue to participate in and attend a variety of outreach activities with various CBO tradeshows, conferences, and matchmakers
- Continue small and diverse business outreach as President of the Industry Council for Small Business Development (ICSBD) throughout 2018. In addition to planned networking meetings held on the 3rd Wednesday of each month, the ICSBD has partnered with the Small Business Development Council (SBDC) to hold a function on May 3rd, 2018, in conjunction with Small Business Week
- Continued service on the Institute of Supply Management's (ISM) Diversity Committee
- Continue as representative on the Disabled Veteran Business Alliance Advisory Council
- Continue as a member of the National Utility Diversity Council's (NUDC) Summit - Advisory Committee



### 10.1.3

## Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

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

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

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

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

### 10.1.4

## Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

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

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 that have historically shown few, if any diverse suppliers. The method of outreach will remain the same as outlined in section 10.1.3.

### 10.1.5

# Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

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

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

In addition, SJW Supplier Diversity will hold periodic training sessions with prime suppliers making up the top 80% of 2017 spend, emphasizing the prime supplier role and expectations regarding subcontracting.

### 10.1.6

# Plans for Complying with WMDVLGBTBE Program Guidelines

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

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

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

The implementation of quarterly supplier diversity spend reports to internal stakeholders and the creation of a new Prime Supplier subcontracting reporting tool will further enhance SJW ability to grow our supplier diversity program. Continuous improvement will increase SJW's ability to monitor program progress as well as verify certification eligibility and improve USDP program participation in all business areas.



## GO 156 Section 1.3 Definitions\*\*

Term	Definition	Acronym	Certification
Minority-Owned Business Enterprises	Minority-owned business means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51 % of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined in the GO 156.	MBE	Supplier Clearinghouse
Woman-Owned Business Enterprises	Women-owned business means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.	WBE	Supplier Clearinghouse
Women, Minority-Owned Business Enterprises	WMBE means a women-owned and/or minority-owned business enterprise.	WMBE	Supplier Clearinghouse
Lesbian, Gay, Bisexual, Transgender (LGBT) Business Enterprise	LGBT-owned business means (1) a business enterprise (a) that is at least 51% owned by a lesbian, gay, bisexual, or transgender person or persons or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more lesbian, gay, bisexual, or transgender persons; and (2) whose management and daily business operations are controlled by one or more of those individuals.	LGBTBE	Supplier Clearinghouse
Women, Minority, and/or LGBT-Owned Business Enterprises	WMLGBTBE means a women-owned, minority-owned and/or LGBT-owned business enterprise. Under these rules, a woman, a minority and/or an LGBT person owning such an enterprise must be either U.S. citizens or legal aliens with permanent residence status in the United States.	WMLGBTBE	Supplier Clearinghouse
Disabled Veteran-Owned Business Enterprises	Disabled Veteran-owned Business (1) is a sole proprietorship at least 51% owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51% of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51% of the joint venture's management and control and earnings are held by one or more disabled veterans. (2) the management and control of the daily business operations are by one or more disabled veterans. And (3) it is a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business. Disabled veteran refers to a veteran of the military, naval or air service of the United States with a service-connected disability and who is a resident of the State of California.	DVBE	DGS

# San Jose Water

Term	Definition	Acronym	Certification
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	<p>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):</p> <ol style="list-style-type: none"> <li>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</li> <li>2. Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.</li> </ol>	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.



110 West Taylor Street  
San Jose CA 95110  
(408) 918-7231

[www.sjwater.com](http://www.sjwater.com)