



GO 156 Report

Year 2012 Utility Procurement
of Goods, Services and Fuel
from

Women-, Minority-, and Disabled Veteran-owned Business Enterprises



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GO 156 Report to the Legislature

CPUC's 27th Annual Diversity Procurement Report

- Details progress by utilities in procuring goods, services, and fuel from women-, minority-, and disabled veteran-owned business enterprises (WMDVBEs).
- 21.5% procurement from diverse suppliers.
 - The goals are 15 percent, 5 percent, and 1.5 percent for minority-owned, women-owned, and disabled veteran-owned businesses, respectively.

33 Utilities & Carriers Filed Annual Reports

1. Large utilities (12) are those with annual total procurement of over \$150 million.
2. Small utilities (21) are those with less than \$150 million in annual total procurement.





GO 156 Report – Overview of Procurement

- Utility spending from diverse suppliers increased from \$5.2 billion in 2010 to \$7.2 billion in 2011.
- For 2011, there was also an increase in the percentage of total utility procurement from WMDVBE firms; it climbed from 23% in 2010 to 30% in 2011.

Category	2011 Diversity Procurement Amount	Percentage Achieved	2012 Diversity Procurement Amount	Percentage Achieved	Goal
MBE	\$4.7 billion	19.3%	\$5.2 billion	21.4%	15%
WBE	\$2.2 billion	9.4%	\$2.5 billion	10.1%	5%
DVBE	\$0.3 billion	1.3%	\$0.3 billion	1.4%	1.5%
Total	\$7.2 billion	30%	\$8.0 billion	32.9%	21.5%





2012 Top Performers

Company	2012 Diversity Procurement	Percentage Achieved	2011 Diversity Procurement	Percentage Achieved
Verizon wire-line	\$114.1 million	50.44%	\$124.3 million	44.31%
AT&T wire-line	\$1.0 billion	44.73%	\$1.0 billion	44.09%
So Cal Gas	348.3 million	41.90%	\$307.7 million	38.12%
PG&E	\$2.1 billion	38.83%	\$1.6 billion	36.56%
Edison	\$1.5 billion	38.18%	\$1.4 billion	33.73%
SDG&E	\$435.1 million	36.07%	\$546.3 million	38.13%
Sprint	\$778.6 million	35.76%	\$686.3 million	27.76%
Suburban Water	\$7.2 million	32.87%	\$2.2 million	20.54%





Who met all three goals?

GO156 goal = 21.5% of total procurement from diverse suppliers

	15% Minority	5% Women	1.5% DVBE
Verizon wire-line	22.21%	26.41%	1.82%
AT&T wire-line	27.95%	11.79%	4.99%
SoCal Gas	27.17%	12.94%	1.79%
PG&E	24.18%	12.47%	2.18%
SDG&E	20.57%	11.99%	3.51%





GO 156 Report – Overview of Fuel Report

Total Utility WMDVBE Fuel Procurement for 2012:
\$507 million as compared to 2011, which was \$510 million.

Utility	2012 Total Procurement	2012 Diversity Procurement	Percentage Achieved	Goal
SDG&E	\$214,000,000	\$76,000,000	35.51%	21.5%
SoCalGas	\$1,389,141,841	\$210,432,917	15.15%	21.5%
PG&E	\$1,252,000,000	\$189,000,000	15.10%	21.5%
Edison	\$439,000,000	\$32,000,000	7.29%	21.5%



GO 156 – What's Next...

- 34 companies file annual GO156 reports, however, 98% of the procurement comes from 12 companies.
 - The goal should now be shifted to getting all 34 companies to reach the 21.5% goal.
- There are about 7,000 suppliers certified diverse suppliers in the Clearinghouse database.
 - Supplier diversity is about creating new opportunities and opening new doors.
 - We must also increase spend:
 - New Markets, i.e., electricity procurement
 - DVBES, African Americans and Native Americans
 - Underutilized areas of GO 156





GO 156 – Challenge

- Last year, the CPUC’s focus shifted to the smaller companies. In 2013, the CPUC held a “Best Practices Leadership Forum” for the small companies and three workshops for its supplier diversity managers.
- The CPUC asked the smaller companies’ executive’s commitments to General Order 156 with a focus on:
 - Leadership commitment at the highest level of the corporation;
 - Incorporation of best practices for a successful supplier diversity program;
 - Changing corporate policies to establish utility supplier diversity programs as corporate policy, including guidelines and metrics; and,
 - Engagement and participation at the CPUC’s annual en banc to report on supplier diversity progress.
- The CPUC also encourages Cox and Time-Warner to embrace the parameters of GO156 and file reports accordingly.





CPUC Procurement Diversity*

	<i>Fiscal Year</i> 2011-12	<i>Fiscal Year</i> 2012-13
Small Business <i>Goal: 25%</i>	18.82% (\$16.81 M)	15.84% (\$18.47 M)
Disabled Veteran Business Enterprises <i>Goal: 3%</i>	3.22% (\$2.82 M)	1.28% (\$1.49 M)

* Proposition 209 prohibits preferential treatment of any individual or group in public contracting on the basis of race, sex, color, ethnicity, or national origin.





Thank You

