

# Supplier Diversity 2011 Annual Report



**J. De Sigio Construction, a Suburban Water Systems diverse vendor, installs pipe over a flood control channel along Artesia Boulevard in La Mirada, California, in 2011.**



## **Suburban Water Systems**

**A SouthWest Water Company**

1325 N. Grand Avenue Suite 100 Covina, CA 91724

## COMMITMENT, POLICY, AND VISION

### Commitment

Suburban Water Systems is committed to developing mutually beneficial business relationships with minority, women and disabled veteran-owned business enterprises (MWDVBE) that have the capability to meet or exceed our requirements for products and services. Identifying these businesses, providing them opportunities to do business with us, and helping them succeed are essential elements in our own success and are directly in line with our mission and core values. Supplier diversity for Suburban is not a “program”, but a way of doing business.

### Policy

It is the policy of Suburban Water Systems through its supplier diversity initiative to increase business opportunities for certified minority business enterprises. We recognize the value of creating opportunities for all suppliers to participate in sourcing of products and services as they arise within our company.

All employees are encouraged to assist in providing avenues of support and opportunities for MWDVBE suppliers who may also be valued customers. Our policy directs sourcing activities throughout our organization in a collaborative environment so that those who are tasked with varied procurement responsibilities play a key role in making our corporate objective a reality.

### Vision

- Develop a strong base of high-quality diverse suppliers
- Include all qualified suppliers in bid opportunities
- Measure, track, benchmark and report Suburban Water Systems’ company-wide diverse supplier spend
- Strengthen economic growth within our supply chain by using diverse suppliers.

Suburban Water Systems believes in and values supplier diversity. We remain committed to making supplier diversity a way of doing business in all that we do.

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## A MESSAGE FROM OUR PRESIDENT

Suburban Water Systems (Suburban) is pleased to submit this 2011 Annual Report outlining its activities under the Utility Supplier Diversity Program (USDP).

Suburban is committed to providing equal opportunities to all potential business partners. Our goal is to collaborate with businesses, large and small, that can help us fulfill our mission of providing safe, reliable, high-quality water, in a cost-effective manner that maximizes company resources and minimizes costs to Suburban’s customers. We seek out companies that are not only diverse, but which also share our commitment to quality, service, and the highest ethical conduct and professional standards.

The supplier diversity program at Suburban is maturing; it has grown from an add-on program to become part of the foundation of how we do business. Initial executive support has expanded involvement in the program and driven the concept down throughout all aspects of the organization; it is ingrained as part of our culture.

Beyond that, the program continues to grow. The goal of seeking out and partnering with diverse suppliers now features prominently in plans and discussions around company projects that involve vendors.

This year’s report will reflect the results of all of our efforts. Notably, in 2011, Suburban expanded the number of diverse firms it does business with from 21 certified diverse firms to 34 total diverse firms. Our diverse spend metric improved from 20.03% to 20.54%. Listed below is a three-year trend, which demonstrates the forward movement of our program.



**Michael O. Quinn**  
**President**

YEAR	DIVERSE SPEND	% SPEND	NUMBER OF DIVERSE FIRMS
2011	\$2,195,324	20.54%	34
2010	\$2,795,732	20.03%	21
2009	\$2,025,780	11.86%	16

Suburban’s commitment to supplier diversity remains strong; our goal in 2012 is to continue and expand our program to incorporate contract readiness/business development (capacity building and technical assistance), in order to further develop suppliers for potential opportunities in the future.

**Michael O. Quinn**  
**President**

## 2011 PROGRAM HIGHLIGHTS

In 2011, Suburban embarked on an intense effort to put in place state-of-the-art procurement practices as part of a new centralized procurement strategy by Suburban's parent company, SouthWest Water Company. The strategy brings together all the SouthWest business groups, all utilizing congruent procurement methodologies and systems. A stated goal of this SouthWest procurement strategy has been to bring about more visibility to Suburban's procurement spend and supplier diversity efforts. Suburban's Utility Supplier Diversity Program Manager (USDPM) was an instrumental participant in this effort. New internal relationships have been developed that allowed for the increased visibility of Suburban's supplier diversity program internally. These relationships will prove valuable as Suburban and SouthWest work to push supplier diversity throughout the organization.

While this transformation was taking place, efforts to continue to identify bid opportunities for diverse suppliers within Suburban, participation in various California Public Utilities Commission (CPUC), Community Based Organization (CBO) and the California Water Association's (CWA) USDP Committee were a constant.

### Progress In Suburban's Use Of Diverse Firms

- Increased utilization of diverse firms to 34 suppliers – including 3 existing diverse firms we worked with to get certified – an increase over 21 last year
- Commodity spaces represented by these suppliers are Engineering/Architecture, Move Coordination, Communications, and Consulting.

### Progress In Involvement With Suburban Infrastructure

In 2011, Suburban was successful in using certified diverse vendors for constructing pipelines, consulting engineering, and services required to facilitate the relocation of Suburban's administrative offices. Because of a paucity of diverse vendors, Suburban was not able to use diverse vendors in its pump station and reservoir projects. However, a diverse vendor was included in the list of preferred vendors that bid on a reservoir project. Also, Suburban is developing its preferred contractor list for pump station and reservoir categories, and commits to making an intense effort to identify qualified diverse vendors.

The mix of construction projects varies greatly from year to year, some years comprising primarily distribution mains, other years reservoir projects. This changing mix of projects can have a significant impact on diverse vendor participation. Nevertheless, we have been very successful in consistently involving diverse contractors.

- Preferred construction contractor vendor list – 5 out of the 10 vendors on this list are diverse firms and are included in bid opportunities
- 42 bid opportunities in Engineering, 14 of which were awarded to diverse firms.

### Progress In Involvement In Operations

- A certified diverse supplier’s landscaping contract was renewed and expanded from only one district office to both district offices and the main office, thus increasing both the dollar amount of the contract and service territory.
- Provided mentoring to several existing suppliers who were referred to Suburban’s USDPM for coaching and evaluation of certification eligibility.
- Furthered partnership and collaboration between district offices and USDPM in the areas of procurement practices, internal process, district requirements, and enhanced vendor communications.

### Awards and Recognition

In November 2011, Suburban received an award and recognition at the CWA’s Annual Conference. Suburban was recognized for its hard work in developing its supplier diversity initiative and program and for making great strides in the past 18 months. This award was prominently mentioned in the 2011 annual report of the California Utilities Diversity Council, whose Executive Director, Jose Perez, made the presentation.

### Annual Contractors Meeting

In 2011, Suburban participated in the 2nd annual Contractors meeting sponsored by the CWA and carried out by CWA’s USDP committee members. Events were held in Southern and Northern California and over 150 contractors and suppliers attended these two events. The event received high praise for the participants’ ability to share information about the water industry and their commitment and efforts as it relates to supplier diversity. Both diverse and non-diverse firms attended. The water utilities presented helpful information about how to do business in the industry. Topics included capacity building and technical assistance, diversity definitions, certification qualifications and insurance requirements. Suppliers had the opportunity to meet with key stakeholders representing each of the water utilities. Suburban’s key stakeholders from its Engineering, Communications and Conservation departments attended and were able to spend time building one-on-one relationships and to discuss possible opportunities. From this event, several diverse firms were extended invitations to continue the discussions.

## INTERNAL & EXTERNAL ACTIVITIES

### SECTION 9.1.1

<b>January</b>
CUDC Meeting, San Ramon
USDP Meeting, San Jose
<b>February</b>
Joint Utilities Meeting
CUDC Meeting
USDP Meeting
Industry Hill Small Business Expo, City of Industry
<b>March</b>

USDP Meeting, Anaheim
Joint Utilities Meeting, Ontario
CUDC Meeting, Long Beach
<b>April</b>
CUDC Meeting, SFO
Accord Event, Job Training, Los Angeles
USDP Meeting, San Diego
CPUC Small Business Expo, Burbank
<b>May</b>
CUDC Meeting, WebEX
KTP DVBE, Los Angeles
USDP Meeting, SFO
<b>June</b>
Elite SDVOB/DVBE, Inland Empire
CUDC Meeting, Los Angeles
Joint Utilities Meeting, SFO
CPUC Workshop, SFO
<b>July</b>
CPUC Legal Symposium, SFO
USDP Business Opportunity Fair, Santa Fe Springs
CPUC Procurement Update, Los Angeles
AICOC Annual Conference, Rancho Mirage
CUDC Advertisement & Media Forum, SFO
ABA Business Matchmaking, City of Industry
<b>August</b>
CUDC Meeting, San Mateo
USDP Meeting, Manhattan Beach
DIR Conference, San Diego
<b>September</b>
Joint Utilities Meeting, Los Angeles
CUDC Meeting, Los Angeles
USDP Meeting, SFO
USDP Business Opportunity Fair, Citrus Heights
<b>October</b>
En Banc, Los Angeles
Asian American Coalition, S. SFO
SDVOB/Elite Matchmaking, San Diego
USDP Meeting, Ontario
CPUC Small Business Expo, Stockton
<b>November</b>
BBA Annual Award Luncheon & Matchmaking
CWA Annual Conference Monterey

CPUC/ADF Procurement Expo, Inland Empire
AICOC Heritage Month Luncheon
USDP Meeting, Ontario
<b>December</b>
USDP Meeting, San Dimas
Joint Utilities Meeting, Irvine
CUDC Meeting, WebEX

**SUMMARY OF PURCHASES OR CONTRACTS BY ETHNICITY  
SECTION 9.1.2**

<b>WMDVBE ANNUAL RESULTS BY ETHNICITY</b>					
	<b>ETHNICITY</b>	<b>DIRECT \$</b>	<b>SUB \$</b>	<b>TOTAL \$</b>	<b>PERCENT %</b>
<b>MINORITY</b>	Asian-Pacific	\$6,555.65		\$6,555.65	0.06%
<b>MALE</b>	African-American	\$305.24		\$305.24	0.00%
	Hispanic	\$1,462,229.69		\$1,462,229.69	13.68%
	Native American	\$7,905.5		\$7,905.5	0.07%
	<b>Total</b>	<b>\$1,476,996.08</b>		<b>\$1,476,996.08</b>	<b>13.81%</b>
<b>MINORITY</b>	Asian-Pacific				
<b>FEMALE</b>	African-American	\$67,032.19		\$67,032.19	0.63%
	Hispanic	\$587,209.71		\$587,209.71	5.49%
	Native American				
	<b>Total</b>	<b>\$654,241.90</b>		<b>\$654,241.90</b>	<b>6.12%</b>
<b>TOTAL MBE</b>		\$2,131,237.98		\$2,131,237.98	19.94%
<b>WBE</b>		\$64,086.07		\$64,086.07	0.60%
<b>Subtotal MWBE</b>		\$2,195,324.05		\$2,195,324.05	20.54%
<b>DVBE</b>					
<b>TOTAL WMDVBE</b>		<b>\$2,195,324.05</b>		<b>\$2,195,324.05</b>	<b>20.54%</b>
<b>Gross Procurement</b>		\$31,760,336.24		\$31,760,336.24	
<b>Exclusions</b>		\$21,071,862.62		\$21,071,862.62	
<b>NET PROCUREMENT</b>		<b>\$10,688,473.62</b>		<b>\$10,688,473.62</b>	

NOTE: The amount shown on Table 9.1.2 in the "Exclusions" line is the total of payments made in the categories of Purchased Water, Purchased Power, and 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 9.1.2 by Suburban is intended to provide information to CPUC Staff regarding these categories and without regard to methods of procurement reporting used by the energy companies (energy companies are subject to special reporting requirements that do not allow power transactions to be reported as exclusions).

The procurement reporting for water companies results from workshops convened by the CPUC’s Utility Supplier diversity Program Staff, pursuant to ordering Paragraph No. 4 of d.11-05-019 (in R.09-07-027), and subsequent additional 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 issues related to the adoption of the water companies’ procurement reporting requirements under General order 156.

## SUMMARY OF PURCHASES OR CONTRACTS BY PRODUCT AND SERVICES (DIRECT) SECTION 9.1.2

ANNUAL RESULTS BY PRODUCTS AND CATEGORIES - DIRECT							
	ETHNICITY	Products \$	%	Services \$	%	TOTAL \$	%
<b>MINORITY</b>	Asian-Pacific	6,555.65	0.06%			\$6,556	0.06%
<b>MALE</b>	African-American			305.24	0.00%	\$305	0.00%
	Hispanic	96,784.24	0.91%	1,365,445.45	12.77%	\$1,462,230	13.68%
	Native American			7,905.50	0.07%	\$7,906	0.07%
	<b>Total</b>	<b>\$103,340</b>	<b>0.97%</b>	<b>\$1,373,656</b>	<b>12.85%</b>	<b>\$1,476,996</b>	<b>13.82%</b>
<b>MINORITY FEMALE</b>	Asian-Pacific					\$0	0.00%
	African American			67,032.19	0.63%	\$67,032	0.63%
	Hispanic			587,209.71	5.49%	\$587,210	5.49%
	Native American					\$0	0.00%
	<b>Total</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$654,242</b>	<b>6.12%</b>	<b>\$654,242</b>	<b>6.12%</b>
<b>TOTAL MBE</b>		\$103,340	0.97%	\$2,027,898	18.97%	\$2,131,238	19.94%
<b>WBE</b>		19,824.42	0.19%	44,261.65	0.41%	\$64,086	0.60%
<b>Subtotal MWBE</b>		\$123,164	1.15%	\$2,072,160	19.39%	\$2,195,324	20.54%
<b>DVBE</b>						\$0	0.00%
<b>TOTAL WMDVBE</b>		<b>\$123,164</b>	<b>1.15%</b>	<b>\$2,072,160</b>	<b>19.39%</b>	<b>\$2,195,324</b>	<b>20.54%</b>

<b>Net Procurement</b>	\$10,688,473.62
<b>Products Procurement</b>	\$123,164
<b>Service Procurement</b>	\$2,072,160
<b>NET WMDVBE PROCUREMENT</b>	<b>\$2,195,324.05</b>

<b>ATTORNEY TIME BILLED IN 2011</b>			
<b>LINE NO.</b>			<b>TOTAL (\$)</b>
<b>1</b>	<b>ALL MEN</b>		
<b>2</b>	<b>MINORITY MEN</b>	ASIAN PACIFIC M	\$1,540.00
<b>3</b>		BLACK M	
<b>4</b>		HISPANIC M	
<b>5</b>		NATIVE AMERICAN M	
<b>6</b>		MULTI-ETHNIC M	
<b>7</b>		<b>TOTAL MINORITY MEN</b>	<b>\$1,540.00</b>
<b>8</b>	<b>ALL WOMEN</b>		
<b>9</b>	<b>MINORITY WOMEN</b>	ASIAN PACIFIC W	\$4,293.00
<b>10</b>		BLACK W	
<b>11</b>		HISPANIC W	\$19,515.00
<b>12</b>		NATIVE AMERICAN W	
<b>13</b>		MULTI-ETHNIC W	
<b>14</b>		<b>TOTAL MINORITY WOMEN</b>	<b>\$23,808</b>
<b>15</b>	<b>TOTAL MINORITY</b>		<b>\$25,348</b>
<b>16</b>	<b>NON-MINORITY WOMEN</b>		<b>\$157,182</b>
<b>17</b>	<b>SERVICE DISABLED VETERAN</b>		<b>\$0</b>
<b>18</b>	<b>TOTAL MINORITY, NON-MINORITY WOMEN &amp; VETERANS</b>		<b>\$182,357</b>

**WMDVBE PROCUREMENT BY STANDARD INDUSTRIAL CATEGORIES - DETAIL**

SIC CATEGORY	ASIAN-PACIFIC	AFRICAN-AMERICAN	HISPANIC	NATIVE AMERICAN	MBE	WBE	SUBTOTAL	DVBE	TOTAL WMDVBE
1731				7,905.50	7,905.50		7,905.50		7,905.50
5112			17.44		17.44	17,931.14	17,948.58		17,948.58
5063						675.28	675.28		675.28
7336		67,032.19			67,032.19	26,000.00	93,032.19		93,032.19
8732						6,240.37	6,240.37		6,240.37
7311			3,104.48		3,104.48		3,104.48		3,104.48
8299						588.00	588.00		588.00
782			131,843.00		131,843.00		131,843.00		131,843.00
1623			1,380,000.36		1,380,000.36		1,380,000.36		1,380,000.36
8734			88,005.95		88,005.95	70.00	88,075.95		88,075.95
8711			24,175.00		24,175.00		24,175.00		24,175.00
7361						8,355.81	8,355.81		8,355.81
8099						2,289.39	2,289.39		2,289.39
2759			8,760.85		8,760.85		8,760.85		8,760.85
5084						1,218.00	1,218.00		1,218.00
3713	6,555.65				6,555.65		6,555.65		6,555.65
7373			7,676.50		7,676.50		7,676.50		7,676.50
1611						718.08	718.08		718.08
8741		305.24			305.24		305.24		305.24
3449			86,302.40		86,302.40		86,302.40		86,302.40
1771			307,851.00		307,851.00		307,851.00		307,851.00
8748			9,522.99		9,522.99		9,522.99		9,522.99
4499			1,693.43		1,693.43		1,693.43		1,693.43
1799			486.00		486.00		486.00		486.00
<b>TOTAL</b>	<b>6,555.65</b>	<b>67,337.43</b>	<b>2,049,439.40</b>	<b>7,905.50</b>	<b>2,131,237.98</b>	<b>64,086.07</b>	<b>2,195,324.05</b>		<b>2,195,324.05</b>

**ITEMIZATION OF WMDVBE PROGRAM EXPENSES  
SECTION 9.1.3**

EXPENSE CATEGORY	
Wages	\$85,000.00
Other Employment Expense	\$0
Reporting Expense	
Training	\$650.00
Consulting	\$0
Program Expense	\$65,000.00
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$150,650.00</b>

**PROGRESS IN MEETING OR EXCEEDING SET GOALS**

**9.1.4**

CATEGORY	CURRENT YEAR RESULTS	CURRENT YEAR GOALS
Minority Business Enterprise (MBE)	19.94%	15.00%
Women Business Enterprise (WBE)	<b><u>0.60%</u></b>	<b><u>5.00%</u></b>
<b>Sub Total Women, Minority Business Enterprise (WMBE)</b>	<b>20.54%</b>	<b>20.00%</b>
Service Disabled Veteran Business Enterprise (SDVBE)	<b>0.00%</b>	<b>1.50%</b>
<b>TOTAL WMDVBE</b>	<b><u>20.54%</u></b>	<b><u>21.50%</u></b>

**SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS**

**SECTION 9.1.5**

Information not available.

**WMDVBE COMPLAINTS RECEIVED**

**SECTION 9.1.6**

No WMDVBE complaints were received.

## RECRUITMENT EFFORTS IN UNDERUTILIZED AREAS SECTION 9.1.8



### ***2011 Business Opportunity Fair, Santa Fe Springs, CA***

Recruitment efforts for WMDVBE firms will remain on-going and SWS will continue to make efforts to identify and utilize WMDVBE suppliers in segments where diverse supplier utilization has been low. Efforts to attract new, innovative suppliers who can provide exceptional value, quality, service and pricing in the areas of legal and public relations will remain a part of our day-to-day business strategy.

Recruitment opportunities have and will continue to exist through participation at various events such as:

- CPUC-sponsored events
- CBO-sponsored events
- California Utilities Diversity Council

Suburban will also work to conduct additional outreach independently of the above which will target specified underutilized WBDVBE firms.

## 2012 ANNUAL PLAN

### WMDVBE SHORT-, MID- AND LONG-TERM GOALS SECTION 10.1.1

In 2012, Suburban will remain steadfast in its approach and commitment to steadily increase opportunities for WMDVBE firms. Along with increasing opportunities and utilization of diverse organizations, we will continue building a strong foundation on which Suburban’s program can stand and thrive. One way to measure progress is in numbers; another is in the sustainability and effectiveness of our program. Suburban has driven diversity efforts deep into our procurement practices and policies; key stakeholders are completely on board with the organization’s policy, vision and mission; and employees understand the true value of such an initiative. This, combined with efforts to grow, mentor and support WMDVBE firms that are already a part of our supply base, helps us to build a strong foundation going forward.

#### 2012 Strategic Program Goals

- Continued executive leadership support and participation
- Increase employee awareness of program
- Work to increase the number of new diverse firms that are awarded contracts
- Build and implement contract readiness/business development (capacity building and technical assistance) program
- Enhance second-tier subcontracting efforts
- Enhance identification of diverse firms in supply base in ERP system
- Increase utilization of existing diverse firms
- Identify existing suppliers who qualify for certification
- Further utilization of collaborative efforts of Suburban’s internal supplier diversity council
- Hold independent diversity sourcing events, collaborating with other water utilities, having a more direct and concentrated sourcing focus
- Provide continuous communication externally to bring awareness to Suburban’s supplier diversity program, further attracting diverse firms
- Work to increase utilization of diverse firms in underutilized commodity spaces
- Enhance company website where supplier diversity program information is located
- Add information to the Corporate intranet, providing information about Suburban’s program and using this as a vehicle to get information out internally to employees to help them gain further understanding of this initiative and encourage support.

Short-, Mid-, and Long-Term Goals	SHORT TERM	MID TERM	LONG TERM
	2012	2014	2016
Minority Business Enterprise (MBE)	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	5.00%	5.00%	5.00%
Service Disabled Veteran Business Enterprise (DVBE)	1.50%	1.50%	1.50%

## **PLANNED INTERNAL/EXTERNAL ACTIVITIES**

### **SECTION 10.1.2**

Suburban is committed to continuing participation in outreach events as well as developing its own sourcing events, all with the intent of sharing potential opportunities which lead to utilization of diverse firms in all commodity spaces. Along with external activities, attention to internal processes and procedures will also remain a focus, examining ways to improve spend visibility, continuing to incorporate supplier diversity into procurement processes, enhancing Suburban's Supplier Diversity Council, etc.

#### **Planned Internal Activities**

- Continued review and analysis of procurement processes
- Continued collaboration with Suburban's internal Supplier Diversity Council
- Continued evaluation of existing supply base to determine eligibility as WMDVBE
- Enhance quarterly reporting and spend identification – gaining more visibility about spend information on a more frequent basis
- Continuation of employee education, increasing program awareness and visibility
- Develop and introduce a Technical Assistance and Capacity Building program in accordance with General Order 156 guidelines – offering program to diverse firms meeting pre-determined selection criteria.

#### **Planned External Activities**

- Work with local industry-specific organizations to locate diverse firms in specific key industries (i.e.; engineering, etc.)
- Annual diversity expo (collaborative effort with another water utility)
- Increased communications in the supplier community to raise awareness of Suburban's program, strengthening the Company's footprint in the diverse supplier community
- Attendance at various CPUC, Joint Utilities, California Utility Diversity Council events and meetings
- Continued participation and collaboration in various CBO events.

## **PLANS TO SEEK AND RECRUIT WMDVBE SUPPLIERS IN UNDERUTILIZED AREAS (FINANCIAL, LEGAL, ETC.)**

### **SECTION 10.1.3**

Suburban will continue to identify opportunities to effectively outsource to diverse firms in underutilized areas. Suburban will continue to build new relationships in which opportunities can be shared and utilization of diverse firms can be accomplished. Communication with key stakeholders through Suburban's internal Supplier Diversity Council is critical to further enhance this effort. Equally important is communication in the community to attract innovative diverse firms. Communication and collaboration are key in this effort.

## **PLANS FOR SEEKING OR RECRUITING WMDVBE SUPPLIERS FOR EXCLUDED CATEGORIES**

### **SECTION 10.1.4**

Suburban is unaware of any WMDVBE firms available in the areas of volume-related water purchases.

## **PLANNED SUBCONTRACTING OPPORTUNITIES**

### **SECTION 10.1.5**

Suburban will continue to further develop its second-tier subcontracting program. This effort will include the following:

- Continued identification of prime suppliers in which second-tier subcontracting is possible and appropriate
- Continued enhancement of contract language
- Enhance second-tier spend tracking mechanism
- Communication and collaboration with prime contractors to support this effort
- Internal coordination with key stakeholders to further support this effort.

## **PROGRAM COMPLIANCE**

### **SECTION 10.1.6**

Suburban recognizes and understands the value of a strong supplier diversity program that is built on a strong and sustainable foundation. Suburban remains committed to this initiative and the continuation of building upon the foundation that has been established.

A focus to enhance what is currently in place as well as create new, innovative and “out of the box” program initiatives will all remain in the forefront of our business. It is recognized that continual evaluation of our program is necessary in order to accomplish this.

It is recognized that supplier diversity in itself is a very collaborative effort that involves many internal and external key stakeholders. Suburban values the collaborative process and looks forward to strengthening existing relationships as well as developing new ones, working towards strengthening its supplier diversity initiative and focus.

For more information about supplier diversity at Suburban, contact:

**Stephanie M. Swenseid**  
**Utility Supplier Diversity Program Manager**

Suburban Water Systems  
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E-mail: [sswenseid@swwc.com](mailto:sswenseid@swwc.com)

### Analysis of 2011 Diverse Supplier Spend

	<b>Total Diverse Spend</b>	<b>Percent of Total Procurement Less Exclusions</b>
<b>Getting existing suppliers certified</b>	\$387,196	3.6%
<b>Certified vendors used for the first time in 2011, which resulted from our attendance at diverse events, meetings of diverse organizations, matchmakings, contractors meeting, etc.</b>	16,032	0.1%
<b>Certified vendors used for the first time in 2011, but NOT resulting from our attendance at diverse events, meetings of diverse organizations, matchmakings, contractors meeting, etc.</b>		
Capital-related	8,624	0.1%
Expense-related	54,231	0.5%
<b>OUR TRUE MEASURE OF ADDED DIVERSE SPEND IN 2011</b>	466,082	4.4%
<b>Continued use of certified vendors</b>		
Capital-related	1,536,595	14.4%
Expense-related	192,647	1.8%
<b>TOTAL DIVERSE SPEND</b>	<b>\$2,195,324</b>	<b>20.5%</b>