THE CENTER *for* MULTICULTURAL SCIENCE

A Presentation for En Banc - October 8, 2015

CPUC Supplier Diversity Study

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Economic Power of California

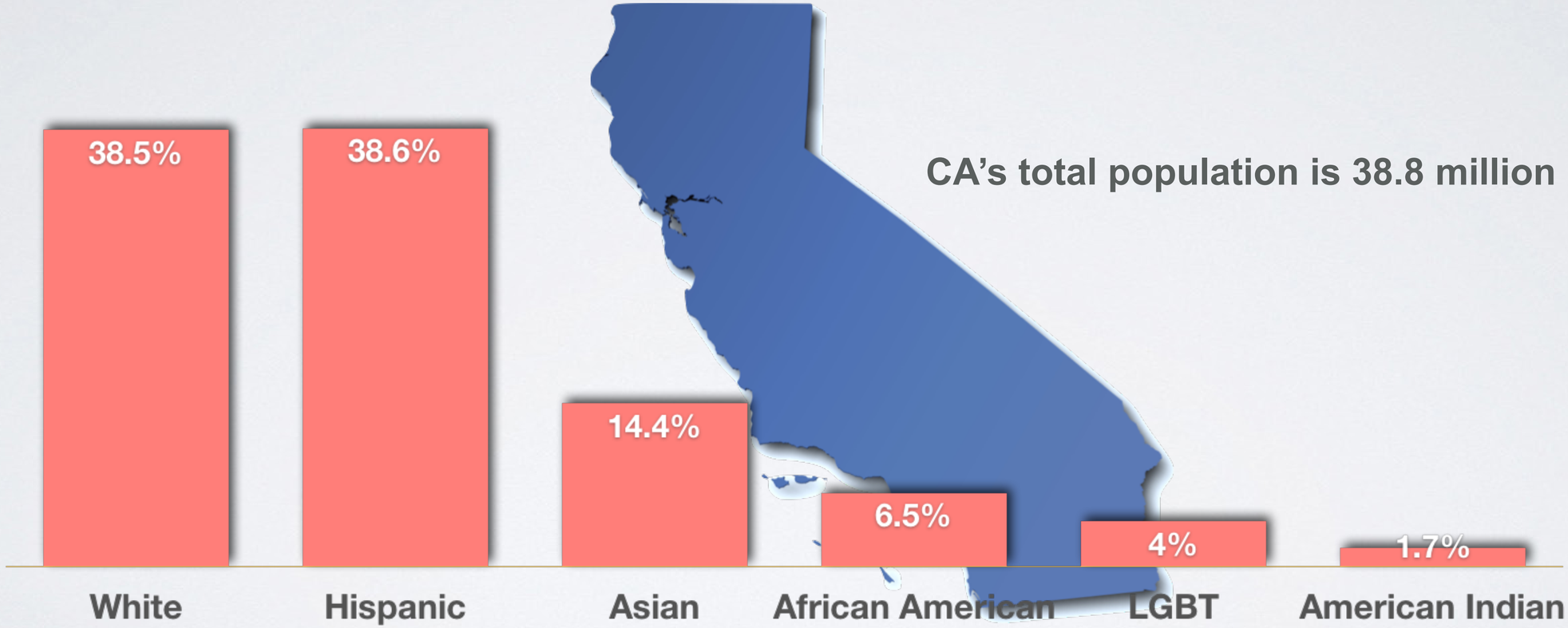
California is considered the 8th largest economy in the world (GDP)

Source: World Bank (2014)

http://data.worldbank.org/indicator/NY.GDP.MKTP.CD/countries?order=wbapi_data_value_2014%20wbapi_data_value%20wbapi_data_value-last&sort=desc&display=default

Demographic Power of California

In 2015, California became a majority “minority” state due to growing diverse population



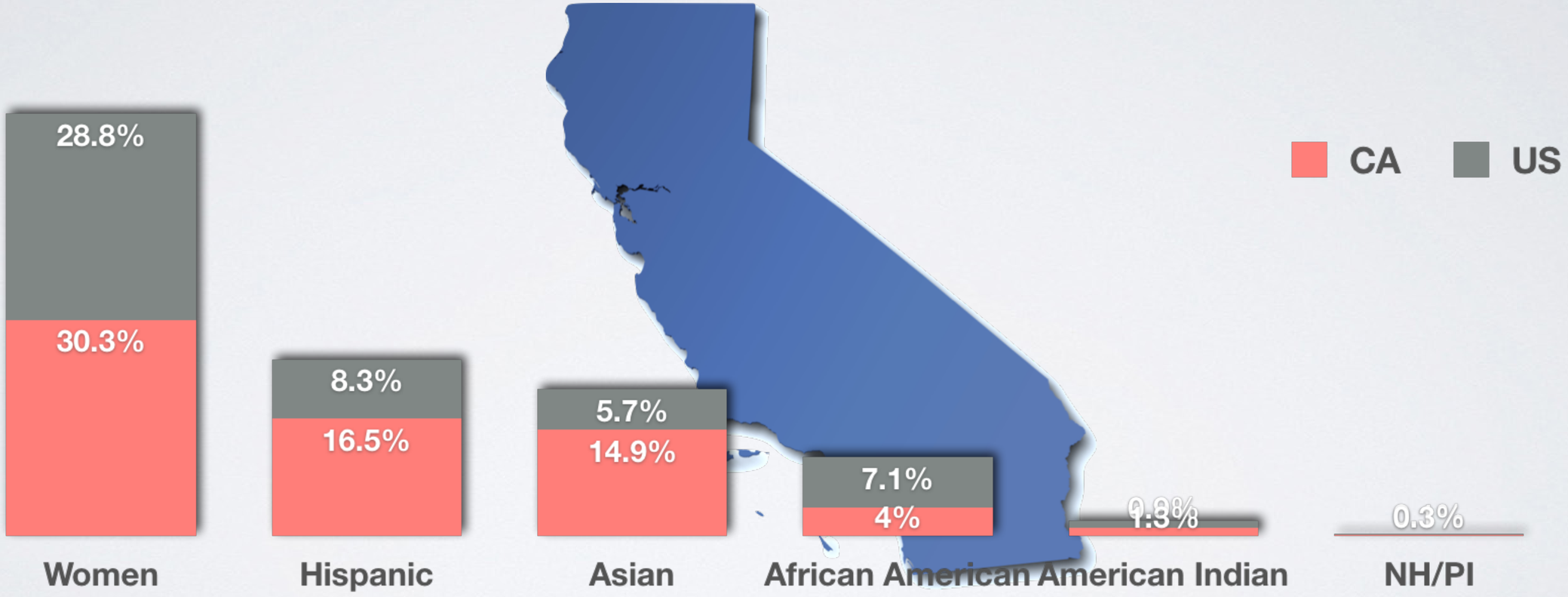
CA’s total population is 38.8 million

Source: US Census (2014)

http://quickfacts.census.gov/qfd/states/06000.html

Small Business Power of California

Ethnic/racial diversity is a key to driving CA's small business engine

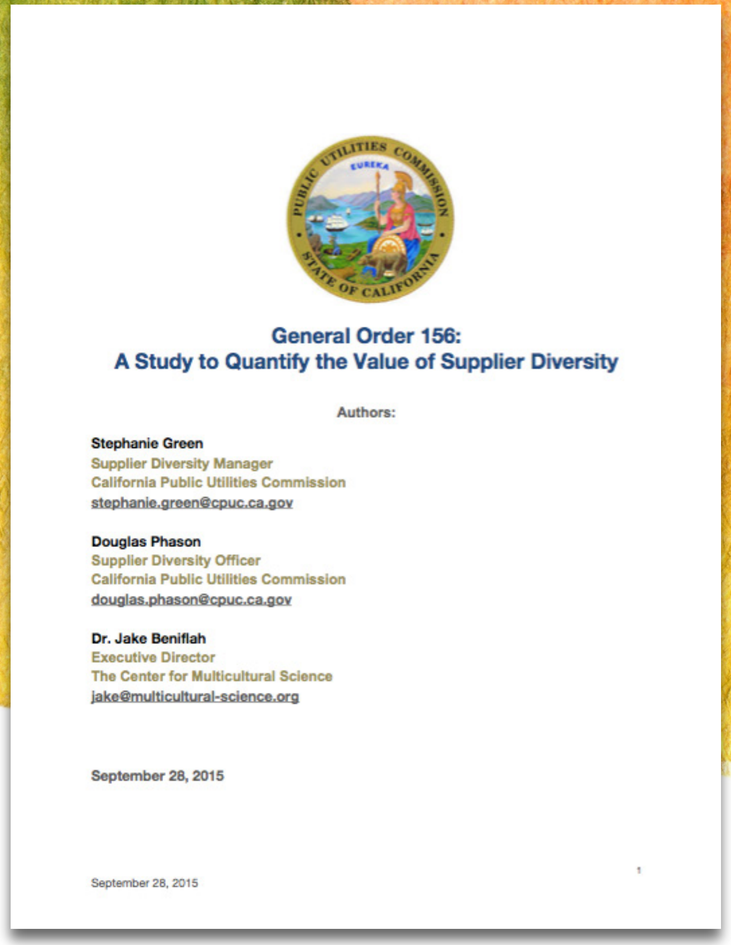


Source: US Census (2014)

http://quickfacts.census.gov/qfd/states/06000.html

CPUC Supplier Diversity Study

First ever study to quantify supplier diversity to GO 156



General Order 156:
A Study to Quantify the Value of Supplier Diversity

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September 28, 2015

http://www.cpuc.ca.gov/PUC/supplierdiversity/

CPUC Supplier Diversity Study

Methodology

8,600 companies in Clearinghouse database
Approx. **3,000** identified, **342** responses **(11%)**

Certification

50%

47%

18%

1%

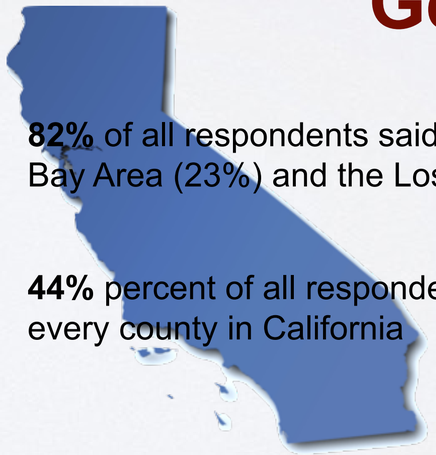
1%

Industries

20% “Construction;” **25%** “Professional, Scientific and Technical Services;” **34%** “Other” services

70% “Owners,” **15%** “Managers,” **6%** “Directors,” and **9%** from “Other”

Geography

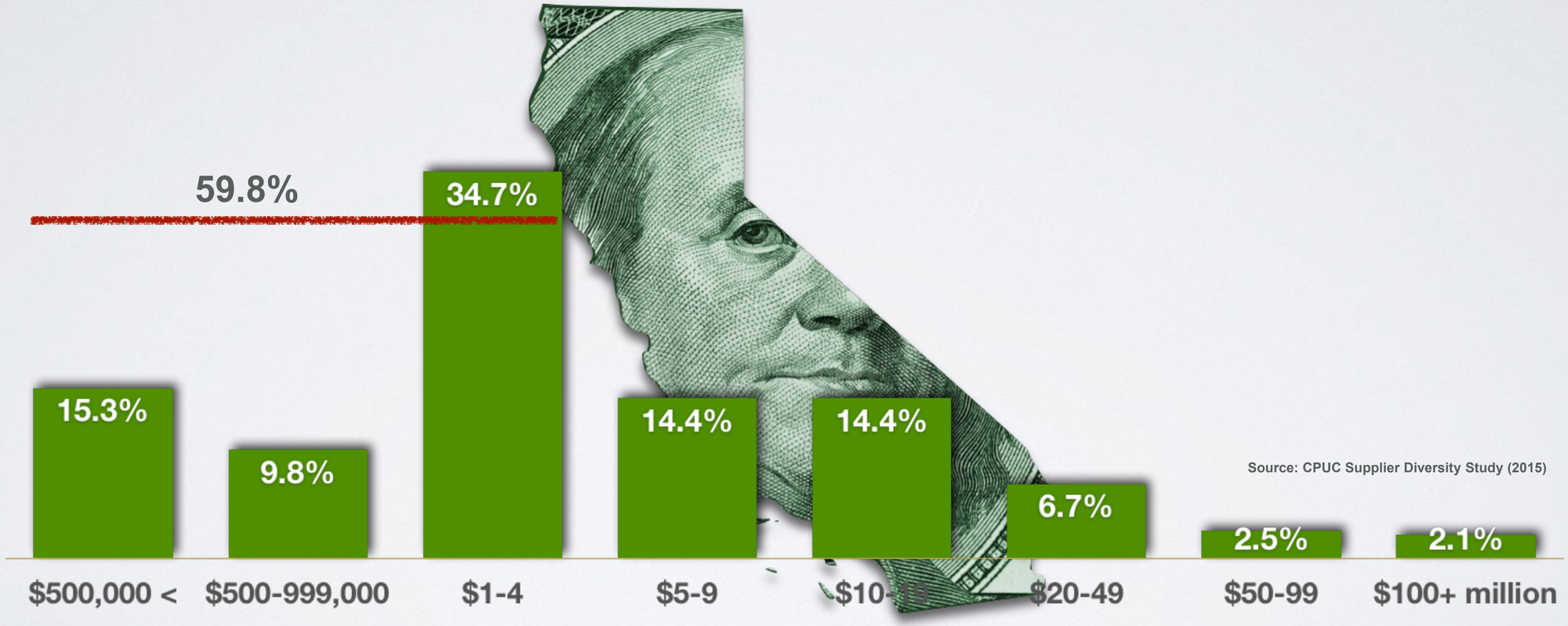


82% of all respondents said they were headquartered in the Bay Area (23%) and the Los Angeles regions (59%)

44% percent of all respondents said they did business in every county in California

Total CA Gross Receipts

About 60% of respondents earned $4 million or less in gross receipts in 2014



Source: CPUC Supplier Diversity Study (2015)

Q9: How much did your company earn in CA gross receipts in 2014?

CA Gross Receipts Based on Utility Contracts

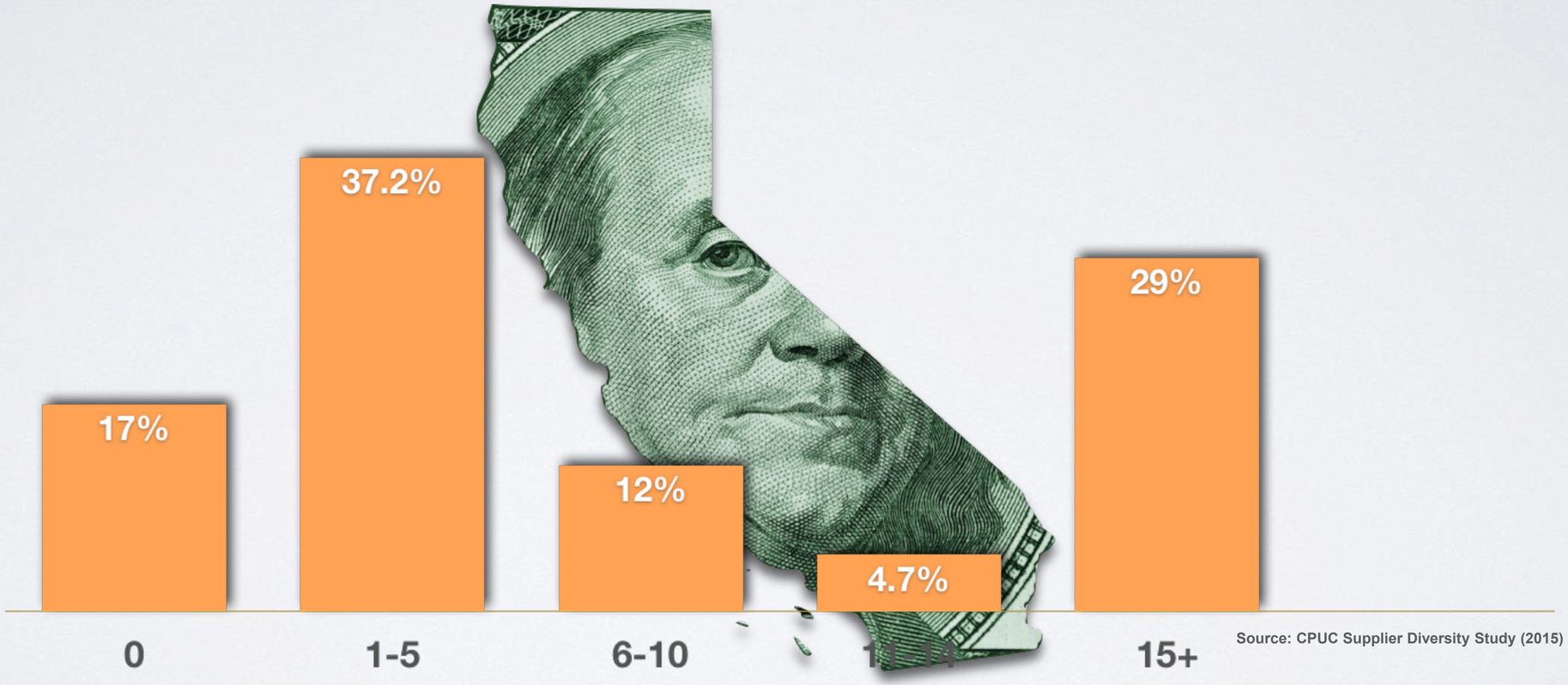
60% of respondents had utility contracts worth $500,000 or less in 2014

Source: CPUC Supplier Diversity Study (2015)

Q10: Based on the total CA gross receipts in 2014, how much of those gross receipts were earned by working with CA utility companies?

Number of Total Contracts

37% of respondents were awarded 1-5 contracts in 2014



Source: CPUC Supplier Diversity Study (2015)

Q17: How many contracts in total were you awarded in 2014?

Dollar Value of Total Contracts Awarded

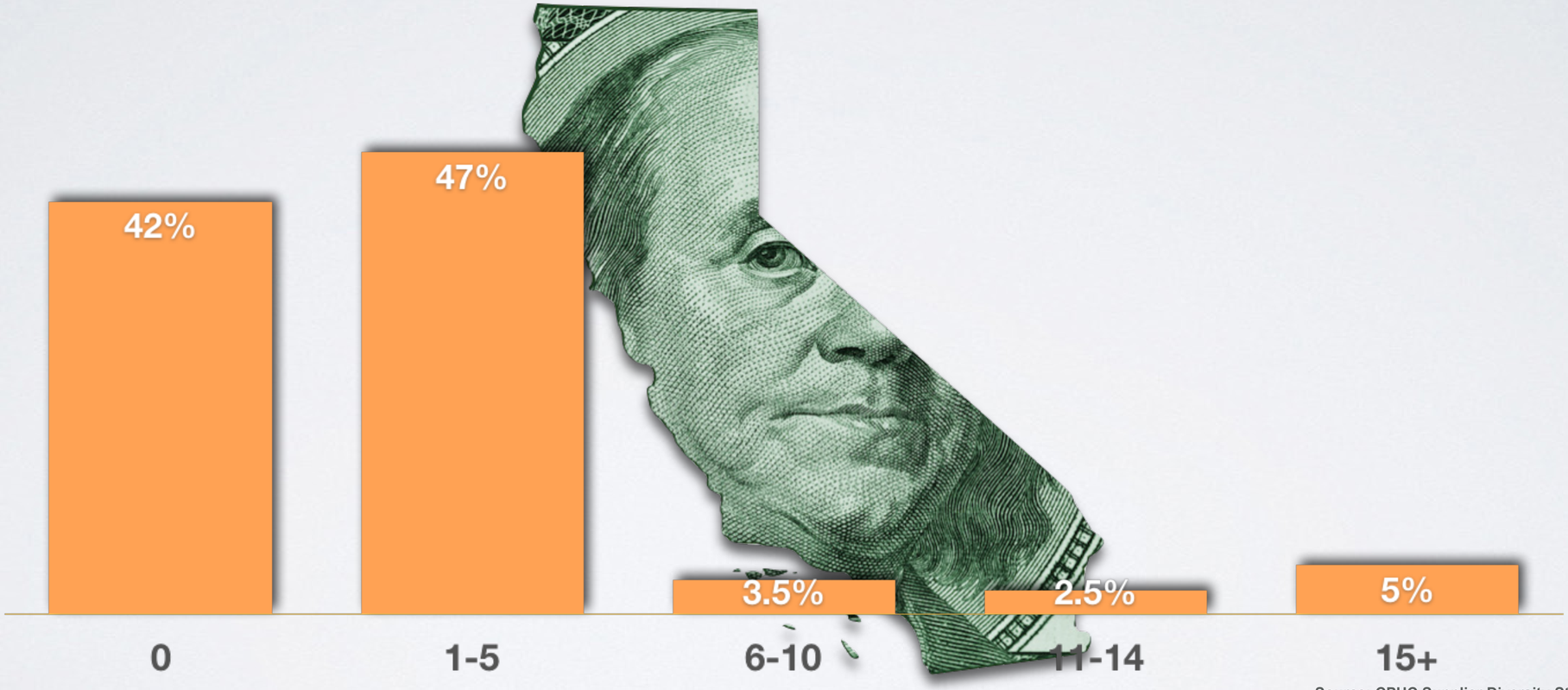
26% of respondents were awarded $1-4.9 million in total contracts in 2014

Source: CPUC Supplier Diversity Study (2015)

Q19: What is the total dollar value of all contracts awarded in 2014?

Number of Utility Contracts

Close to Half (47%) of respondents were awarded 1-5 utility contracts in 2014



Source: CPUC Supplier Diversity Study (2015)

Q18: Based on the total number of contract awarded, how many contracts were you awarded by the utility companies in 2014?

Dollar Value of Utility Contracts Awarded

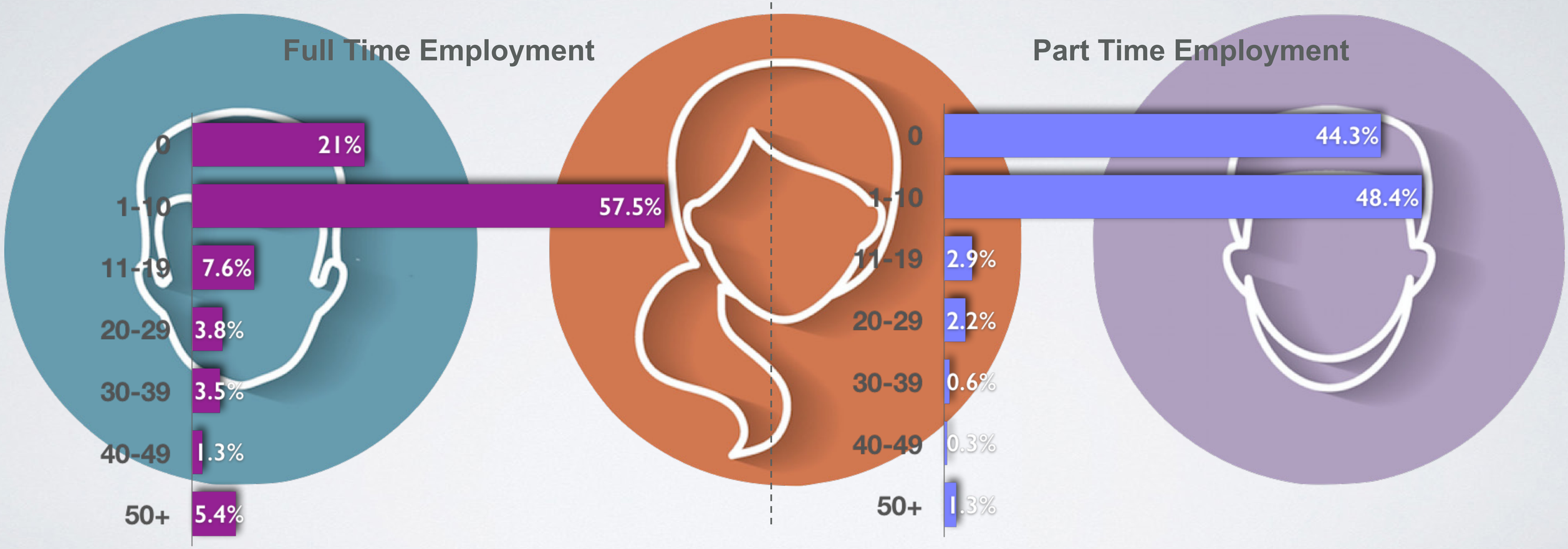
Close to Half (47%) of respondents were awarded utility contracts worth $50,000 or less in 2014

Source: CPUC Supplier Diversity Study (2015)

Q20: Based on the total dollar value awarded in contracts, what is the dollar value of those contracts awarded by the utility companies in 2014?

Employment - FT and PT

57% and 48% of respondents hired 1-10 FT and PT employees respectively in 2014



Source: CPUC Supplier Diversity Study (2015)

Q15: How many FT employees in CA did you add in 2014? Q16: How many PT employees in CA did you add in 2014?

State Taxes

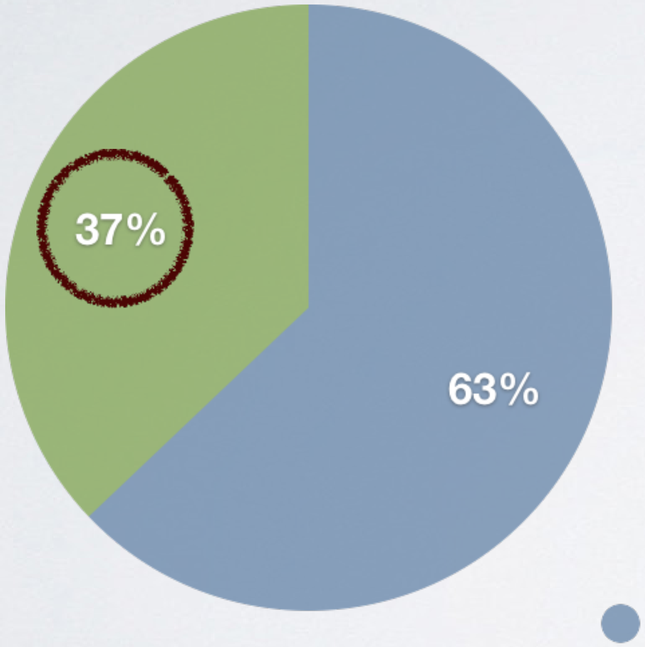
80% of respondents paid $500,000 or less in CA States taxes in 2014

Source: CPUC Supplier Diversity Study (2015)

Q12: How much did your company contribute to CA state income tax in 2014?

Outsourcing

63% of respondents in study sub-contracted to diverse suppliers



There is an opportunity to further outsource to diverse suppliers.

Q8: Do you sub-contract to diverse suppliers?

Source: CPUC Supplier Diversity Study (2015)

Summary

First study to measure the value of supplier diversity as part of GO 156

Results quantify the economic VALUE not only for diverse suppliers, but for the state of California

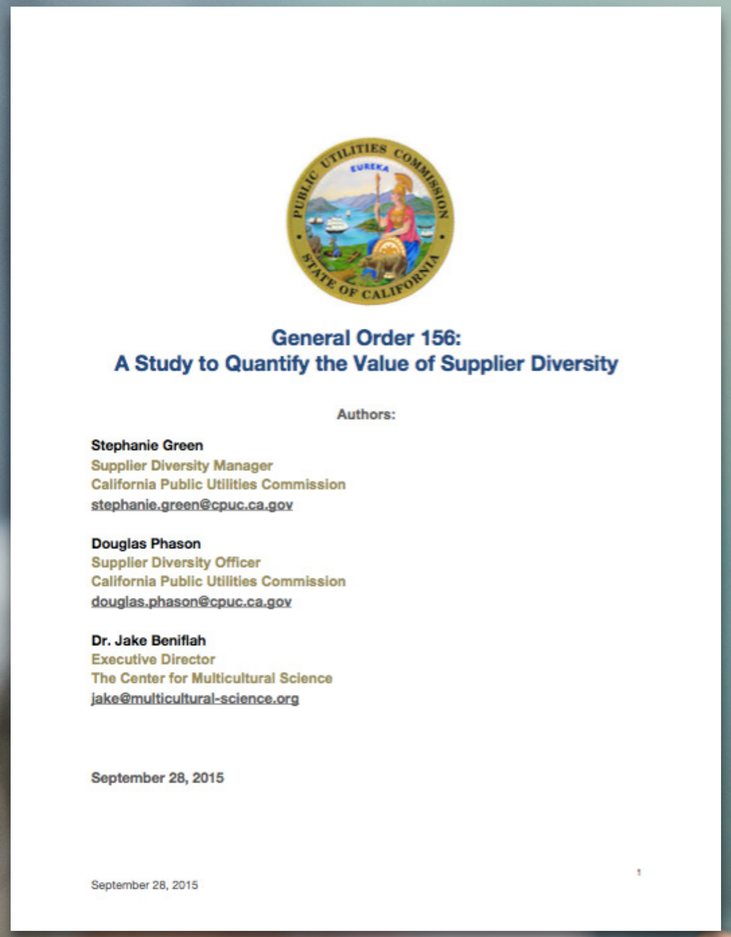
Study continues to underscore the important link of economic empowerment between diverse suppliers and communities

What’s Next?

Conduct Phase 2 study in 2016 to delve into “best practices”of diverse suppliers part of GO 156

Continue to measure progress and challenges of diverse suppliers in 2017 to drive superior value

http://www.cpuc.ca.gov/PUC/supplierdiversity/



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