



Report to the California Public Utilities Commission

2014 Report and 2015 Plan for Women-
Owned, Minority-Owned, and Disabled
Veteran-Owned Procurement

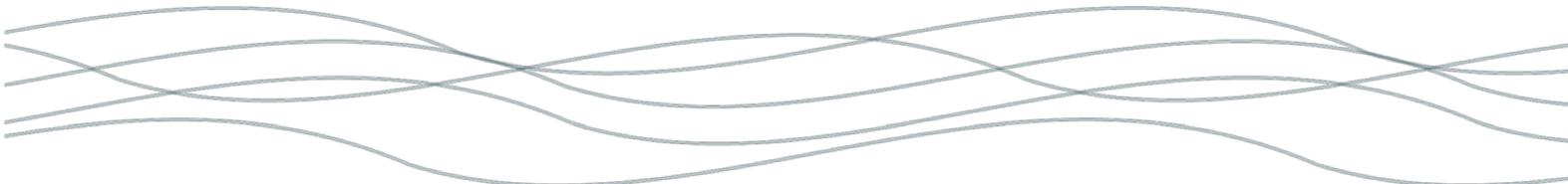


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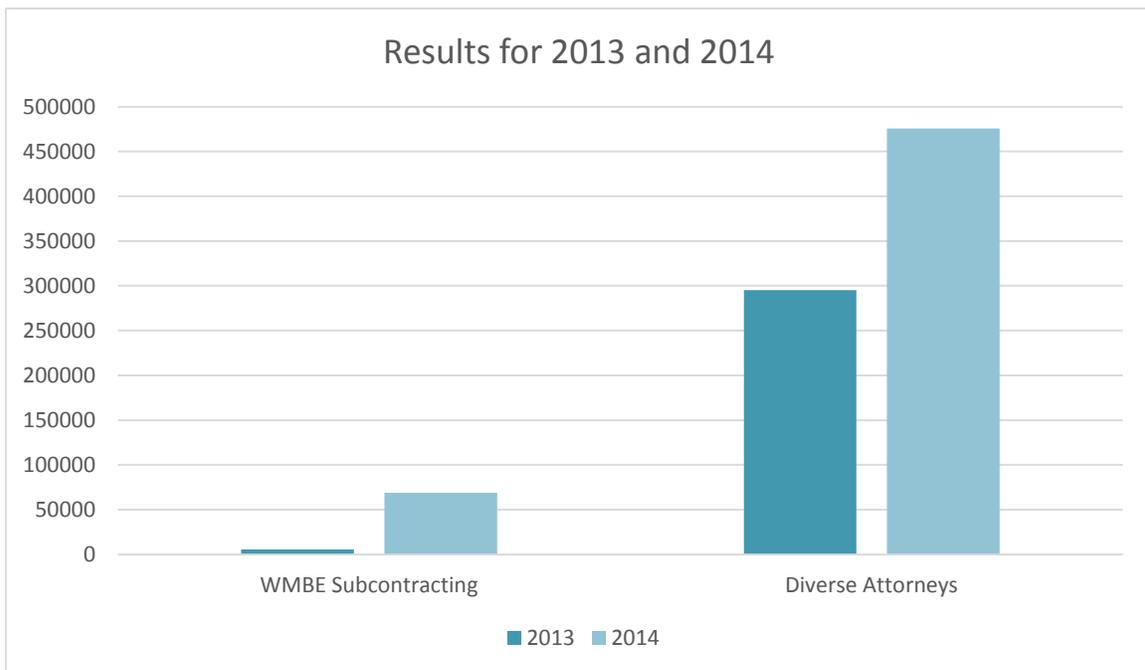
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Executive Summary

Trans Bay Cable LLC (“TBC”) respectfully submits its 2014 Annual Report and 2015 Annual Plan for the Utility Supplier Diversity Program, in compliance with the requirements of California Public Utilities Commission (“CPUC” or “Commission”) General Order No. 156 (“GO 156”). This Annual Report describes the program activities and results TBC achieved for the period of January 1, 2014, through December 31, 2014. The Annual Plan describes TBC’s anticipated and planned activities for the period of January 1, 2015, through December 31, 2015.

Key spending and accomplishment areas in 2014:

- **Subcontracting** – The total for WMDVBE subcontracting spend increased from \$5,539 in 2014 to \$68,883 in 2015, an increase of 1144%.
- **Legal Services** – A total of \$475,596 was spent on diverse attorneys at majority-owned law firms, a 61% increase from 2013. An additional \$16,031 was spent on diverse legal assistants and paralegals.



Introduction

TBC is a small energy transmission company. TBC's facilities consist of a 53-mile, approximately 400 megawatt high-voltage direct-current ("HVDC") submarine electrical transmission line and two converter stations (the "Project"). The transmission line is located beneath the adjoining bays of San Francisco, San Pablo, and Suisun and runs between TBC's two converter stations: located in Pittsburg, California, and San Francisco, California.



The Project began commercial operation on November 23, 2010. It delivers power for approximately 40% to 60% of San Francisco's peak electrical load. The Project is a critical and high-profile component of the San Francisco area's electricity infrastructure.



TBC utilizes proprietary HVDC PLUS technology developed by Siemens Energy. TBC strives to make new procurement opportunities available to women, minority, and disabled-veteran business enterprises ("WMDVBE") when feasible.

2014 Annual Report

9.1.1 Internal & External Activities

Internal Activities

TBC's Supplier Diversity Program ("SDP" or the "Program") for WMDVBES is overseen by TBC's Legal Department. The Legal Department's efforts are supplemented by TBC's Finance Department, IT Department, Operations Department, and Human Resource Department. Together, TBC personnel have developed, implemented, and continue to expand TBC's Program.

In accordance with Section 6.1.1 of GO 156, in 2014, all employees with procurement responsibilities, including at least one employee from each department, received training on the implementation of TBC's Program.

During the spring of 2014, TBC contacted all of its current vendors and informed them about the CPUC's GO 156 program. TBC encouraged its vendors to visit The Supplier Clearinghouse website to determine their eligibility and complete the verification process. Additionally, TBC encouraged its vendors to use WMDVBE subcontractors when feasible.

This past year, TBC continued to use its website as a resource for potential WMDVBES. WMDVBES can contact TBC about supplier diversity through TBC's website at www.transbaycable.com/contact-us/ (a link to this site is also provided on The Supplier Clearinghouse website). WMDVBES are able to fill out a SDP registration form on the TBC website. Once a WMDVBE registers, that company is added to an internal SDP database. On average, TBC received one to three inquiries per month via its website. A TBC employee responds to all website inquiries and forwards the WMDVBE's contact information to the appropriate TBC department. WMDVBES can also submit questions about TBC's Program via this online form.

External Activities

In 2014, TBC participated in and attended many external activities in an effort to (i) further develop its Program, (ii) adopt best practices, and (iii) increase its profile as a small utility in California. These external activities included participation in:

- CPUC Small Utilities workshops, forums, and conference calls; and
- California Joint Utilities Committee meetings and conference calls.

TBC also responded to CPUC requests for information and met with CPUC personnel in June 2014 to discuss TBC's Program.

9.1.2 Statistical Reports/Summary of Purchases

2014 Utility Supplier Diversity Program Annual Results by Ethnicity

		Direct \$	Sub \$	Total \$	%
Minority Men	Asian-Pacific	-	-	-	-
	African-American	-	-	-	-
	Hispanic	-	-	-	-
	Native American	-	-	-	-
	Other	-	-	-	-
	Total Minority Men	-	-	-	-
Minority Women	Asian-Pacific	-	\$393	-	-
	African-American	-	-	-	-
	Hispanic	-	-	-	-
	Native American	-	-	-	-
	Other	-	-	-	-
	Total Minority Women	-	-	-	-
Total Minority Business Enterprise (MBE)		\$0	\$393	\$393	0.00%
Women Business Enterprise (WBE)		\$93,365	\$68,490	\$161,855	0.52%
Subtotal Women, Minority Business Enterprise (MWBE)		\$93,365	\$68,883	\$162,248	0.52%
Service Disabled Veteran Business Enterprise (DVBE)		-	-	-	-
TOTAL WMDVBE		\$93,365	\$68,883	\$162,248	0.52%
TOTAL PROCUREMENT		\$31,019,061			

2014 Procurement by Product & Service Categories:
Direct Contract

		Products		Services		Total	
		\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	-	-	-	-	-	-
	African-American	-	-	-	-	-	-
	Hispanic	-	-	-	-	-	-
	Native American	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Minority Women	Asian-Pacific	-	-	-	-	-	-
	African-American	-	-	-	-	-	-
	Hispanic	-	-	-	-	-	-
	Native American	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Total MBE		-	-	-	-	-	-
WBE		-	-	\$93,365	0.30%	\$93,365	0.30%
Subtotal MWBE		-	-	-	-	-	-
DVBE		-	-	-	-	-	-
Total WMDVBE		-	-	\$93,365	0.30%	\$93,365	0.30%
TOTAL PROCUREMENT		\$31,019,061					

Net Procurement	\$31,019,061
WMDVBE Products Procurement	\$0
WMDVBE Service Procurement	\$93,365
NET DIRECT WMDVBE PROCUREMENT	\$93,365

9.1.3 Itemization of WMDVBE Program Expenses

While expenses were incurred for activities in support of GO 156, none of the expenses were solely attributable to those activities. A variety of TBC employees contribute to TBC's Program, in particular the members of the Legal Department and Operations Department.

9.1.4 Progress in Meeting or Exceeding Set Goals

TBC did not meet its 2014 WMDVBE Procurement Goals, coming in at 3.48% below its overall goal target. During 2014, TBC began work on a facility upgrade by Siemens Energy and encountered an unforeseen cable event, nearly doubling its typical annual procurement. This dramatic increase in TBC’s annual procurement negatively affected its total percentage of WMBE spend.

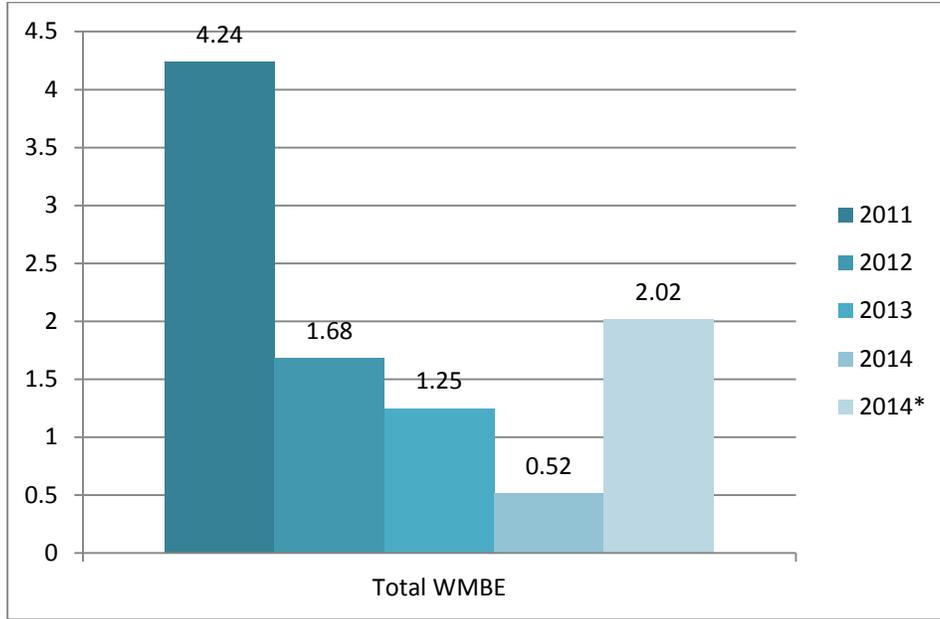
It should be noted that TBC’s cumulative WMBE spend is much higher than reported, as a number of vendors are not certified with the Clearinghouse Supplier (despite encouragement from TBC); and therefore, those amounts could not be included in TBC’s 2014 totals.

If all minority- and women-owned business enterprises used by TBC were certified, TBC would have increased its 2014 WMDVBE Procurement Results from \$162,248 to \$626,742¹, thereby increasing our overall percentage from 0.52% to 2.02% and nearly doubling our percentage from 2013. TBC continues to encourage all applicable vendors to become certified Clearinghouse Suppliers.

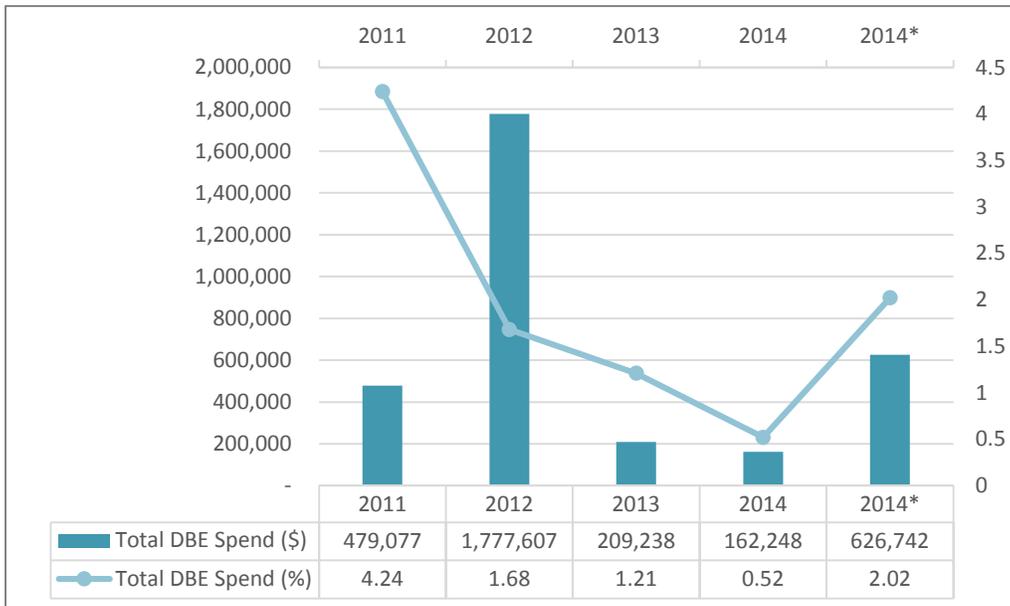
Category	2014 Results	2014 Goals
Minority Business Enterprise (MBE)	0.00%	2.00%
Women Business Enterprise (WBE)	0.52%	2.00%
Sub Total Women, Minority Business Enterprise (WMBE)	0.52%	4.00%
Disabled Veteran Business Enterprise (DVBE)	-	-
TOTAL WMDVBE	0.52%	4.00%

¹ This amount included a vendor that has committed to completing the CPUC verification process in 2015 and a subcontractor whose CPUC certification has expired but whose spend would have been counted if they had reregister.

TBC's Historical WMBE Spend (% of Procurement)



TBC's Four Year Supplier Diversity Spend: 2011-2014



* This column reflects TBC's DBE spend if the additional eligible vendors were registered with the CPUC.

9.1.5 Summary of Prime Contractor Utilization of WMDVBE Subcontractors

In 2014, TBC continued to encourage all of its Prime Contractors to utilize WMDVBE subcontractors. TBC's Responsible Vendor section of its Purchase Order Terms and Conditions states:

"In connection with the performance of work under this Agreement, Seller [or Contractor or Vendor] agrees to operate in an ethical and socially responsible manner which means that Seller [or Contractor or Vendor]... engages and includes women, minority, and disabled veterans business enterprises for subcontracting opportunities when feasible."

Additionally, this language is included in the majority of TBC's new agreements and contracts.

TBC included a 15% minority and women owned business participation requirement was included in the proposal for one of TBC's major construction projects. The contractor ultimately utilized one WBE vendor registered with the CPUC (with spend totaling \$55,451²), five California Department of General Services Small Business Enterprises (with spend totaling \$605,425³), and one California Department of Transportation Disadvantaged Business Enterprise (with spend totaling \$96,628⁴).

As with prior years, TBC continued to distribute an informational letter to its vendors to encourage them to utilize WMDVBE subcontractors when feasible. The informational letter also reminded vendors that TBC is available to assist them in the development of their own diverse supplier program.

Overall, TBC's CPUC-registered subcontractor spend increased 1144% in 2014, from \$5,539 to \$68,883.

² This amount is included in TBC's Total Subcontractor WMDVBE Procurement amount.

³ This amount is not included in TBC's Total Subcontractor WMDVBE Procurement amount.

⁴ This amount is not included in TBC's Total Subcontractor WMDVBE Procurement amount.

9.1.6 WMDVBE Complaints Received

TBC did not receive any WMDVBE complaints in 2014.

9.1.7 Purchases/Contracts for Products/Services in Excluded Categories

ALJ General Order 156 Ruling on November 14, 2003, ended the excluded category. Specific categories are not deducted from the fundamental procurement amount.

9.1.8 Recruitment Efforts in Underutilized Areas

TBC recognizes the importance of increasing WMDVBE utilization in areas with traditionally low representation in the utility industry, such as legal and financial services.

In 2014, TBC continued its engagement with a woman-owned law firm. TBC’s work with this woman-owned law firm totaled \$93,365 in 2014.

In addition to utilizing women-owned law firms, TBC also strives to develop and maintain relationships with diverse attorneys at majority-owned law firms. In 2014, TBC spent \$475,597 with diverse attorneys at majority-owned law firms, an increase of 61% from 2013. Additionally, TBC spent \$16,031 with diverse legal secretaries and paralegals at majority-owned law firms for a total diverse legal spend at majority-owned law firms of \$491,627.

Legal Services Billed in 2014

		Woman-owned Law Firm Spend	Diverse Attorneys at Majority-owned Law Firm Spend	Diverse Legal Secretaries & Paralegals at Majority-owned Law Firm Spend
Minority Men	Asian-Pacific	-	\$9,321	-
	African-American	-	-	-
	Hispanic	-	\$39,645	-
	Native American	-	-	-
	Other	-	-	-
	Total Minority Men	-	\$48,966	-
Minority Women	Asian-Pacific	-	\$487	-
	African-American	-	-	-
	Hispanic	-	-	-
	Native American	-	-	-
	Other	-	-	-
	Total Minority Women	-	\$487	-
Total Minority		-	\$49,453	-
Women		\$93,365	\$426,143	\$16,031
TOTAL DIVERSE SPEND		\$93,365	\$475,597	\$16,031

TBC is also committed to utilizing women and minorities in the financial services sector. In 2014, TBC spent \$12,409 with minority men and \$960 with women employed at majority-owned financial service firms for a total spend of \$13,369. Additionally, TBC utilizes majority-owned financial service companies for their auditing and tax advisory services. Each of these two services consist of teams that are 80% and 75% women, respectively.

Financial Services Billed in 2014

		Diverse Spend with Majority-owned Financial Services
Minority Men	Asian-Pacific	\$2,869
	African-American	-
	Hispanic	\$9,329
	Native American	-
	Other	-
	Total Minority Men	\$12,409
Minority Women	Asian-Pacific	-
	African-American	-
	Hispanic	-
	Native American	-
	Other	-
	Total Minority Women	-
Total Minority		\$12,409
Women		\$960
TOTAL DIVERSE SPEND		\$13,369

2015 Annual Plan

10.1.1 WMDVBE Short-, Mid-, and Long-Term Goals

TBC is committed to supplier development and increasing competitiveness in sourcing products and services. TBC’s 2015 WMDVBE program goals are stated below:

2015 Strategic Program Goals

Short-, Mid-, and Long-Term Goals	Short Term (2015)	Mid Term (2017)	Long Term (2019)
Minority Business Enterprise (MBE)	2%	4%	5%
Women Business Enterprise (WBE)	2%	4%	5%
Disabled Veteran Business Enterprise (DVBE)	-	0.5%	1%
LGBT Business Enterprise (LBE) ⁵	-	-	-
TOTAL WMDVBE GOAL	4 %	8.5%	11%

⁵ TBC is awaiting the Commission’s decision in R.14-10-009 before determining its LBE goals.

10.1.2 Planned Internal and External Activities

TBC is committed to continue its participation in supplier diversity outreach events in the San Francisco Bay Area. For 2015, TBC's supplier diversity plans include the following strategies to strengthen the Program's results:

Planned External Activities

- Participate in local diversity expos, trade-fairs, and conferences
- Attend various CPUC and utility events, workshops, meetings, forums, webinars, conference calls, etc.
- Encourage existing suppliers to participate in the CPUC's supplier diversity program and register with the CPUC.

Planned Internal Activities

- Finance Department will continue to be responsible for identifying which active and current suppliers fall within TBC's Supplier Diversity Policy
- Utilize tools, such as the Supplier Diversity Clearinghouse, to receive bids from a more diverse group of suppliers
- Further educate employees, management, and prime contractors on implemented policies and processes to strengthen the alignment of strategic sourcing and Supplier Diversity
- Clearly communicate TBC's Supplier Diversity Program to its prime contractors
- Assist prime contractors in developing their supplier diversity plans and goals
- Develop processes to maximize participation of diverse suppliers for products and services identified to be competitively bid
- Continue to adopt and follow industry best practices

TBC's WMDVBE recruitment efforts remain on-going, and TBC will continue its efforts to identify and utilize WMDVBE suppliers. Recruitment efforts will continue through participation at events such as the CPUC's Small Business Expo and other industry events.

10.1.3 Plans to Seek and Recruit WMDVBE Suppliers in Underutilized Areas (Financial, Legal, Etc.)

TBC is committed to seeking and recruiting WMDVBE suppliers in underutilized areas. In 2015, TBC will continue to:

- Route potential suppliers to TBC's internet site at <http://www.transbaycable.com/contact-us/>, where suppliers can select "supplier diversity" from the drop down menu and enter their information to register to become a qualified supplier in our database;
- Partner with leadership in the non-traditional areas to plan and develop strategies for increasing the utilization of diverse suppliers; and
- Execute best practices within our sourcing strategies to identify products and services where diverse suppliers exist, but the company is underutilizing them.

10.1.4 Plans for Seeking or Recruiting WMDVBE Suppliers for Excluded Categories

The ALJ General Order 156 Ruling on November 14, 2003, ended the excluded category. Specific categories are not deducted from the fundamental procurement amount.

10.1.5 Planned Subcontracting Opportunities

TBC will continue to encourage prime contractors to engage and include WMDVBEs in subcontracting opportunities. Although the award of any subcontracting activity is at the prime contractor's final discretion, TBC will work closely with its prime contractors to: 1) help identify specific products and services within TBC's projects where there are known diverse suppliers for inclusion, 2) make our listing of approved diverse contractors accessible, and 3) advocate for diverse supplier inclusion to the maximum extent possible, including adding specific WMDVBE requirements to contracts.

TBC will also continue to provide additional guidance to its prime contractors in the Responsible Vendor section of TBC's Purchase Order Terms and Conditions. This section communicates the company's commitment to supplier diversity and reaffirms the company's expectations of opportunity and inclusion early in the sourcing process.

10.1.6 Program Compliance

TBC recognizes the social and economic benefits of a successful supplier diversity program. TBC will continue to comply with GO 156 and its guidelines and requirements and will continue to work with the CPUC, its staff, and the California Joint Utilities Group in pursuing new strategies to continually advance the Utility Supplier Diversity Program objectives. TBC will comply with all revisions of GO 156 and all other requirements of the CPUC.