



Utility Supplier Diversity Report to the California Public Utilities Commission

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

2015 Report and 2016 Plan

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Manager, Supplier Diversity and Community Involvement
In response to CPUC General Order 156



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Letter from the Chairman, President and CEO

San Jose Water Company's Supplier Diversity Commitment



It is with great pleasure I share with you the significant contributions diverse suppliers make in ensuring a vibrant and strong supply chain that enables San Jose Water Company (SJWC) to meet the vital water and service needs that impact the daily lives of all our customers and the communities we serve. Serving one of the largest metropolitan areas in the United States with high quality, safe, and reliable water at just and reasonable rates requires a supply chain delivering superior products and services at the lowest possible cost. As with any area of our business, since the inception of our Supplier Diversity Program, we have focused on operational excellence and sustainability of the program.

I reflect back to the beginning of this program in 2004, when our initial measure of diverse business participation was less than \$300K per year. We have come a long way since then. In 2015, SJWC spent \$19M with diverse businesses, representing 17.2% of our total addressable procurement. Although our 2015 results represent a slight decrease in dollars spent with diverse businesses from 2014, we are confident that the program will continue to deliver sustainable results to the benefit of our customers.

We continue to focus our efforts on one of our largest and technically complex capital intensive projects, the Montevina Water Treatment Plant (WTP) upgrade. The foundation has been prepared to robustly involve diverse suppliers in our multi-year Montevina project through a formal supplier diversity focus within the Montevina WTP Improvements Project – Partnering Charter, signed by all major internal/external stakeholders. Our Prime Supplier Program continues to grow in maturity as we continue to engage prime suppliers to aggressively subcontract with diverse suppliers. The addition of standardized prime supplier subcontracting reporting software will also enhance our ability to drive results with our primes.

As I conclude, I am confident the program we have built will continue to serve SJWC and our customers as we leverage diverse suppliers in support of our service and operational excellence.

A handwritten signature in black ink, appearing to read 'WRoth', with a horizontal line extending to the right.

W. Richard Roth
Chairman, President and CEO
San Jose Water Company

This filing is in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156, and contains the 2015 Annual Report and the 2016 Annual Plan of SJWC's Utility Supplier Diversity Program (USDP). The annual report describes the program activities and results achieved by SJWC for the period of January 1 through December 31, 2015.

This report will serve as San Jose Water Company's (SJWC) fourth report to the CPUC under the guidelines of General Order 156.

2015 Annual Report

SJWC's commitment to the CPUC USDP program and its goal to provide access and opportunity to Women, Minority, Disabled Veteran and Lesbian, Gay, Bisexual and Transgendered Business Enterprises (WMDVLGBTBE), continues to progress through program and process development. SJWC's overall eligible procurement totaled \$110M in 2015. The company's procurement for goods and services with WMDVLGBTBEs represented \$19M or 17.2 % of total eligible company procurement. Prime Supplier subcontracting participation to diverse companies increased by \$385K (7%), compared to 2014 results, totaling nearly \$6M reported through prime supplier subcontracting.

Our 2015 diversity spend results decreased by \$3.9M or 17% compared to 2014. Factors influencing the decrease in diverse spend dollars (and associated diverse spend percentage) includes a higher than normal total procurement spend, an associated higher level of addressable spend, and a more refined data integrity and reporting process. We believe our enhanced data integrity and reporting process gives SJWC a more accurate baseline of our overall spend profile and positions us well for growth in the future.

San Jose Water Company's 2015 USDP Highlights

SJWC 2015 Achievements:

- Hired new Supplier Diversity Manager, Timothy O. McLaughlin, C.P.M., effective May 11, 2015, replacing Charmaine Jackson, who left the company in February 2015
- Utilized lessons learned from previous supplier diversity audits conducted on other utilities and incorporated these changes into our new reporting process
- Prime Supplier subcontracting participation to diverse companies increased by **\$385K (7%)**, compared to 2014 results, totaling nearly \$6M reported through prime supplier subcontracting
- Total purchases from Women-owned Business Enterprises (WBE) increased by **\$513K (10.3%)**, compared to 2014 results, totaling **\$5.5M** in WBE spend
- Direct purchases from WBEs increased by **254%** from **\$628K in 2014, to \$1.6M in 2015**

- Utilizing our new reporting process, SJWC was able to establish a more accurate baseline from which to move forward; this baseline includes the following 2015 measures:

Total procurement spend:	\$221M
Total addressable spend:	\$110M
Overall spend with diverse suppliers:	\$19M
Direct spend with diverse suppliers:	\$13M
Prime Supplier Program, subcontracting with diverse suppliers:	\$6M
Total Minority Business Enterprise (MBE) Spend:	\$13.1M
Total Women Business Enterprise (WBE) Spend:	\$5.5M
Total Disabled Veteran Business Enterprise (DVBE) Spend:	\$432K
Total Lesbian, Gay, Bisexual, Transgendered Business Enterprise Spend (LGBTBE) Spend:	\$0
Total number of diverse suppliers within the SJWC supplier diversity program:	57
Number of diverse suppliers doing business directly with SJWC:	34
Number of diverse suppliers doing business with SJWC through subcontracting:	28

Year on Year Progress – Under the Guidelines of GO156:

- SJWC furthered its supplier diversity commitment on one of our largest and technically complex capital intensive projects, the Montevina Water Treatment Plant (WTP) upgrade. The ground-work has been completed to involve diverse suppliers in our multi-year Montevina project through a formal supplier diversity focus within the Montevina WTP Improvements Project – Partnering Charter, signed by all major internal/external stakeholders.
- SJWC furthered its commitment to Early Morning Software’s PRISM software, third-party software focused on efficient, automated gathering and reporting of supplier diversity data, statistics, and forms. Full implementation of the software will lead to more efficient reporting of supplier diversity results, both direct and subcontracting.

Year	Total Eligible Procurement	Diverse Procurement
2012	\$96,313,252	\$17,507,376
2013	\$92,429,415	\$18,145,595
2014	\$90,949,889	\$22,880,429
2015	\$110,416,872	\$19,006,931

9.1.1 Internal /External Activities

2015 was a year of transition within the SJWC supplier diversity program as a new program manager was hired on May 11, replacing our previous program manager of seven years. SJWC’s new program manager brings with him an extensive background in supplier diversity, specifically within the utility industry. SJWC has been able to leverage this background and experience in order to re-engineer and refine our supplier diversity data integrity and reporting process. As a result, 2015 results reflect changes to our reporting process and have provided SJWC with a firm foundation from which to grow. More changes are planned for 2016 and will be detailed in the 2016 Annual Plan.

Internal Activities

In 2015 the SJWC USDP focused on the following key areas:

- 1) Established relationships between supplier diversity and key stakeholders within the organization.
- 2) Continued utilization of the SJWC Supplier Diversity Champion's Program.
- 3) Enhanced the overall supplier diversity process.

San Jose Water Departmental Champion's Program

SJWC continues to rely on the active participation of its internal champions. USDP efforts benefit from its Champion Program Initiative - CAP:

- C**ommit to providing opportunities for diverse businesses
- A**ttend outreach events to engage potential suppliers
- P**articipate in strategic and operational meetings for the program

2015 CAP Program Initiatives include:

- Champion's Program strategy/training session on June 30, 2015. This meeting helped to build relationships between supplier diversity and the Champion group. Overall supplier diversity strategy was discussed along with stakeholder roles and responsibilities.
- Engineering team presentation on August 8, 2015. Supplier Diversity met with representatives of SJWC's engineering team to discuss supplier diversity strategy and the Prime Supplier Program.
- Prime Supplier subcontracting participation to diverse companies increased by \$385K (7%), compared to 2014 results, totaling nearly \$6M reported through prime supplier subcontracting.
- Montevina Pre-Construction Meeting on August 25, 2015. At this meeting, the groundwork was put in place to formalize the inclusion of diverse suppliers in our multi-year Montevina project. A Partnering Charter was signed by all major stakeholders, formalizing the team's commitment to supplier diversity within the Montevina WTP Improvements Project.

External Activities

SJWC continues the company's outreach efforts by participating in Community Based Organization (CBO) events that include partnerships with WMDVLGBTBEs, 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 SJWC. Partnering with the organizations listed below helps to enable SJWC to play a key role in educating diverse business on the process of doing business with SJWC:

- National Minority Supplier Development Council (NMSDC)
- Western Regional Minority Supplier Development Council (WRMSDC)
- Women's Business Enterprise Council - West (WBEC-West)
- Institute for Supply Management (ISM)
- CPUC Small Business Expos
- Elite Service Disabled Veteran Owned Business (SDVOB) Network
- Disabled Veteran Business Alliance
- American Indian Chamber of Commerce

SJWC also partners with other California Water Association (CWA) Class A members as part of the CWA USDP committee. The CWA USDP also partners with the above organizations as well as many smaller, local/regional organizations in their local areas. SJWC often represents the CWA USDP at various CBO events, tradeshow and matchmakers.

CBO Presentations

In 2015, the Manager of Supplier Diversity presented multiple times at the local chapter of the Elite SDVOB Network monthly meetings. Presentations were informal and focused on doing business with SJWC, benchmarking small business initiatives and informal matchmaking with local DVBE suppliers.

Joint Utility Meetings

The SJWC 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 do business with California's large and small utilities.

Prime Supplier Matchmaking Events

In 2015 SJWC partnered with other CWA USDP members to sponsor and lead 2 Prime Supplier Matchmaking events. These matchmakers, held in northern and southern California, provided information 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. During the northern California Prime Matchmaker, SJWC's Senior Vice President of Regulatory affairs emphasized the important role diverse supplier's play in establishing water company operational excellence.

CBO, Tradeshow, Conference and other Outreach Events

SJWC'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 2015 outreach participation includes:

- Disabled Veteran Business Alliance, Keeping the Promise, May 13, 2015
- California Water Association Winter Meeting, May 14-15, 2015
- Elite SDVOB Network - Northern California Chapter, Monthly Meeting, May 19, 2015
- California Public Utilities Commission, Survey to Quantify the Value of Supplier Diversity, May 22, 2015
- California Water Association Prime Supplier Matchmaker-So. Cal., June 9, 2015
- Joint Utilities Commission, Quarterly Meeting, June 17, 2015
- Women's Business Enterprise National Council (WBENC), National Convention, June 23-25, 2015
- American Indian Chamber of Commerce (AICOC), 2015 Expo, July 19-22, 2015
- Western Regional Minority Supplier Development Council (WRMSDC), Business Opportunity Fair, August 4, 2015
- National Gay, Lesbian Chamber of Commerce (NGLCC), National Conference, August 11-14, 2015
- Elite SDVOB National Conference, August 19-21, 2015
- California Water Association Prime Supplier Matchmaker-No. Cal., September 23, 2015
- Joint Utilities Commission, Quarterly Meeting, September 25, 2015
- Disabled Veteran Business Alliance, Turning Contacts into Contracts, October 2, 2015

- California Public Utilities Commission, En Banc, October 8, 2015
- California Public Utilities Commission, Bay Area Small Business Expo, October 14, 2015
- National Minority Supplier Development Council (NMSDC), National Conference, October 17-22, 2015
- California Water Association, 2015 Annual Conference, November 11-13, 2015
- Disabled Veteran Business Alliance, Veteran Breakfast, November 13, 2015
- Elite SDVOB Network - Northern California Chapter, Monthly Meeting, November 17, 2015
- American Indian Chamber of Commerce (AICOC), Heritage Lunch, November 20, 2015
- Rainbow Chamber of Commerce, Holiday Luncheon, December 4, 2015
- Joint Utilities Commission, Quarterly Meeting, December 9, 2015

Prime Supplier Program – Continuous Improvement

In 2015, Prime Supplier subcontracting participation to diverse companies increased by \$385K (7%), compared to 2014 results, totaling nearly \$6M reported through prime supplier subcontracting. Supplier Diversity, Champions and Sourcing personnel continue to work with prime suppliers to increase utilization of diverse businesses. SJWC drives its prime suppliers to look into their operations to identify areas suitable for diverse supplier participation. Prime suppliers are asked to submit their subcontracting results quarterly. Key prime suppliers are monitored for progress and contacted in the event there is a gap in performance.

Year on Year Progress – Under the Guidelines of GO156:

Year	Total Eligible Procurement	Diverse Procurement
2012	\$96,313,252	\$17,507,376
2013	\$92,429,415	\$18,145,595
2014	\$90,949,889	\$22,880,429
2015	\$110,416,872	\$19,006,931



9.1.2 Summary of Purchases and/or Contracts

Statistical Reports

WMDVLGBTBE ANNUAL RESULTS BY ETHNICITY

		2015			
		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	\$29,143	\$0	\$29,143	0.0%
	African American	\$9,669	\$0	\$9,669	0.0%
	Hispanic American	\$9,491,198	\$1,098,212	\$10,589,410	9.6%
	Native American	\$225,144	\$22,537	\$247,681	0.2%
	Other*	\$0	\$0	\$0	0.0%
	Total Minority Male	\$9,755,154	\$1,120,749	\$10,875,903	9.8%
Minority Female	Asian Pacific American	\$1,647,391	\$14,115	\$1,661,506	1.5%
	African American	\$5,983	\$2,617	\$8,600	0.0%
	Hispanic American	\$2,810	\$558,004	\$560,814	0.5%
	Native American	\$0	\$0	\$0	0.0%
	Other*	\$0	\$0	\$0	0.0%
	Total Minority Female	\$1,656,184	\$574,736	\$2,230,920	2.0%
Total Minority Business Enterprise (MBE)		\$11,411,338	\$1,695,485	\$13,106,823	11.9%
Women Business Enterprise (WBE)		\$1,598,009	\$3,869,984	\$5,467,993	5.0%
Subtotal Women, Minority Business Enterprise (MWBE)		\$13,009,347	\$5,565,469	\$18,574,816	16.8%
Service Disabled Veteran Business Enterprise (DVBE)		\$0	\$432,115	\$432,115	0.4%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	0.0%
Total Other 8(a)**		\$0	\$0	\$0	0.0%
TOTAL WMDVLGBTBE		\$13,009,347	\$5,997,584	\$19,006,931	17.2%
Net Procurement***		\$110,416,872			

NOTE: *FIRMS WITH MULTI 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.

WMDVLGBTBE ANNUAL RESULTS BY STANDARD INDUSTRY (SIC) CODE

San Jose Water Company

WMDVLGBTBE PROCUREMENT BY STANDARD INDUSTRIAL CATEGORIES - DETAIL

2015 Annual Report

G. O. #156 Sec 9.1.2

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Subtotal Women Business Enterprise (WMBE)	Service Disabled Veterans Business Enterprise (SDVBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Total WMDVLGBTBE	Total Dollars			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female								Other % (a)	Total WMDVLGBTBE	Total Dollars
	%	%	%	%	%	%	%	%	%	%								%	%	%
07. AGRICULTURAL SERVICES	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%			
15. GENERAL BUSINESS CONTRACTORS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%			
16. HEAVY CONSTRUCTION OTHER THAN BUILDING CONSTR	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%			
17. SPECIAL TRADE CONTRACTORS	\$ 28,701	\$ 1,451,266	\$ 0	\$ 0	\$ 1,847,098	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,327,065	\$ 64,983	\$ 3,392,048	\$ 32,393	\$ 0	\$ 3,424,442	\$ 1,174,906	\$ 4,599,348		
23. APPAREL AND OTHER TEXTILE PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
24. LUMBER AND WOOD PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
36. FURNITURE AND FIXTURES	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
26. PAPER AND ALLIED PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
27. PRINTING AND PUBLISHING	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
28. CHEMICALS AND ALLIED PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
29. PETROLEUM AND COAL PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
30. RUBBER AND MISC. PLASTICS PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
32. STONE, CLAY, AND GLASS PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
33. PRIMARY METAL INDUSTRIES	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
34. FABRICATED METAL PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
35. INDUSTRIAL MACHINERY AND EQUIPMENT	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
36. ELECTRONIC & OTHER ELECTRIC EQUIPMENT	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
37. TRANSPORTATION EQUIPMENT	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
38. INSTRUMENTS AND RELATED PRODUCTS	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
39. MISCELLANEOUS MANUFACTURING INDUSTRIES	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		
42. TRUCKING AND WAREHOUSING	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 0.0%		

WMDVLGBTBE ANNUAL RESULTS BY STANDARD INDUSTRY (SIC) CODE (con't)

San Jose Water Company		2015 Annual Report				WMDVLGBTBE PROCUREMENT BY STANDARD INDUSTRIAL CATEGORIES - DETAIL												G. O. #166 Sec. 9.1.2							
SIC Category		Asian Pacific American		African American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)		Women Business Enterprise (WBE)		Subtotal		Service Disabled Veterans Business Enterprise (DVBE)		Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Total Dollars			
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Other 8(a)	Total WMDVLGBTBE	Total WMDVLGBT					
45. TRANSPORTATION BY AIR	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%		
47. TRANSPORTATION SERVICES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
48. COMMUNICATIONS	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
49. ELECTRIC, GAS, AND SANITARY SERVICES	\$	\$0	\$14,115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,115	
	%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
60. WHOLESALE TRADE-DURABLE GOODS	\$	\$442	\$0	\$2,617	\$97,393	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,060,906	
	%	0.0%	0.0%	0.0%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	90.7%	
61. WHOLESALE TRADE-NON-DURABLE GOODS	\$	\$0	\$0	\$0	\$890,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$890,172	
	%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
62. BUILDING MATERIALS & GARDEN SUPPLIES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
65. AUTOMOTIVE DEALERS & GAS SRVC STNS	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
68. EATING AND DRINKING PLACES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
63. INSURANCE CARRIERS	\$	\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000	
	%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	99.6%	
66. REAL ESTATE	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
72. PERSONAL SERVICES	\$	\$0	\$0	\$0	\$246,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$246,300	
	%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
73. BUSINESS SERVICES	\$	\$0	\$135,256	\$669	\$5,983	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672,239	
	%	0.0%	3.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	84.7%	
75. AUTO REPAIR, SERVICES, AND PARKING	\$	\$0	\$0	\$0	\$157,431	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$157,431	
	%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
76. MISCELLANEOUS REPAIR SERVICES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
78. MOTION PICTURES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
79. AMUSEMENT AND RECREATION SERVICES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
80. HEALTH SERVICES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
91. LEGAL SERVICES	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,097,385	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
87. ENGINEERING & MANAGEMENT SERVICES	\$	\$0	\$0	\$0	\$234,988	\$2,810	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,700,143
	%	0.0%	0.0%	0.0%	1.7%	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%	0.0%	0.0%	0.0%	97.6%	
OTHER	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,551,659	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
TOTAL: \$18,985,576																						\$91,431,296	\$110,416,873		
NOTE: *FIRMS WITH MULTIPLE MINORITY OWNERSHIP STATUS																						%	17.19%	82.81%	
**FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE																									

9.1.3 Program Expenses

Utility Supplier Diversity Program Expenses

Expense Category	2015 (\$)
Labor	\$97,500
Program Expense*	\$53,000
Reporting Expense	\$5,000
Training	\$6,000
TOTAL:	\$161,500

9.1.4 Goal Progress

SJWC made significant measurable progress towards meeting the CPUC goal of 21.5% of procurement activity with WMDVLGBTBEs. While we met the WBE’s goal of 5%, we fell short in meeting both the Minority Business Enterprise (MBE) and Disabled Veteran Business Enterprise (DVBE) goals. In 2015, SJWC spend totaled \$19M or 17.2% with diverse businesses.

Notable progressions include:

- Prime Supplier subcontracting participation to diverse companies increased by \$385K (7%), compared to 2014 results, totaling nearly \$6M reported through prime supplier subcontracting.
- Total purchases from WBE increased by \$513K (10.3%), compared to 2014 results, totaling \$5.5M in WBE spend.
- Direct purchases from WBE increased by 254%, from \$628K in 2014 to \$1.6M in 2015.

Category	Current Year Goal	Current Year Results
Minority (MRE)	15.0%	11.8%
Women (WBE)	5.0%	5.0%
Disabled Veteran (DVBE)	1.5%	0.4%
Gay, Lesbian, Bisexual, Transgendered (LGBT)*	0.0%	0.0%
TOTAL:	21.5%	17.2%

*No goal set by the CPUC for 2015

9.1.5 Subcontractor Reporting

Summary of Utilization of WMDVLGBTBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service Disabled Veterans Business Enterprise (DVBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$9,755,154	\$1,656,184	\$11,411,338	\$1,598,009	\$13,009,347	\$0	\$0	\$0	\$13,009,347
Subcontracting \$	\$1,120,749	\$574,736	\$1,695,485	\$3,869,984	\$5,565,469	\$432,115	\$0	\$0	\$5,997,584
Total	\$10,875,903	\$2,230,920	\$13,106,823	\$5,467,993	\$18,574,816	\$432,115	\$0	\$0	\$19,006,931
Direct %	8.8%	1.5%	10.3%	1.4%	11.8%	0.0%	0.0%	0.0%	11.8%
Subcontracting %	1.0%	0.5%	1.5%	3.5%	5.0%	0.4%	0.0%	0.0%	5.4%
Total %	9.8%	2.0%	11.9%	5.0%	16.8%	0.4%	0.0%	0.0%	17.2%
Net Procurement		\$110,416,872							
<small>NOTE: *FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE</small>									

9.1.6 Complaints

SJWC did not receive any formal complaints about the USDP program in 2015.

9.1.7 Exclusions – Summary of Purchases and/or Contracts in Excluded Categories

The Net Procurement shown in section 9.1.2 reflects the Total Procurement minus “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.

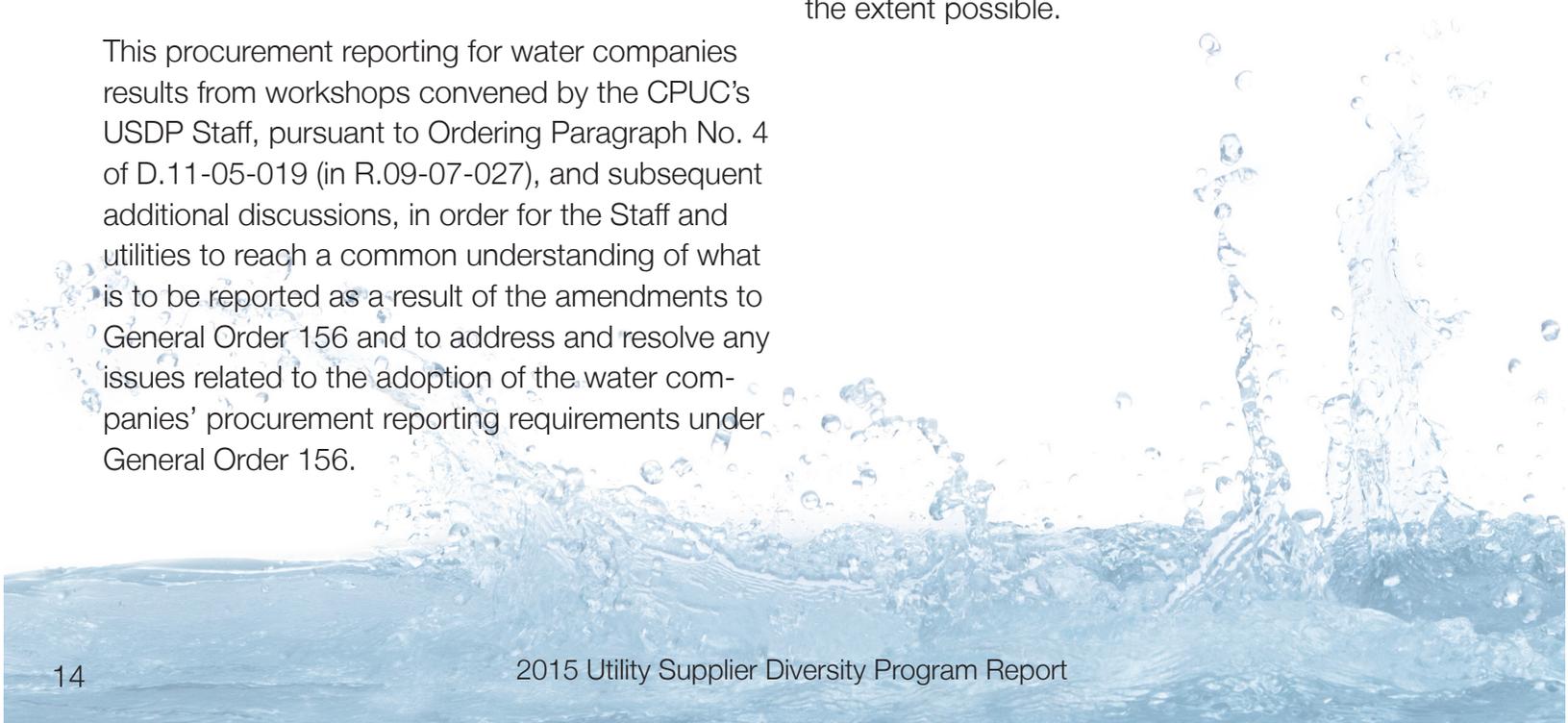
This procurement reporting for water companies results from workshops convened by the CPUC’s USDP Staff, pursuant to Ordering Paragraph No. 4 of D.11-05-019 (in R.09-07-027), and subsequent additional discussions, in order for the Staff and utilities to reach a common understanding of what is to be reported 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.

9.1.8 Diverse Suppliers in Underutilized Areas

During 2015, SJWC worked to increase diverse spending in areas where such supplier utilization has traditionally been low. As a result, SJWC increased diverse spend in the following categories:

- Increase in direct spend with WBEs resulting in an overall increase in total WBE spend
- Increase in sub-contracting participation, resulting in an overall increase in overall subcontracting WMDVLGBTBE spend

SJWC will continue its efforts to recruit minority owned business in consultant services areas to the extent possible.



Success Stories Prime Supplier Matchmakers



CWA's USDP Committee sponsored two events in 2015 where water utility prime contractors were brought together to engage Diverse Business Enterprises (DBEs) and explore subcontracting opportunities. The reviews for both events were excellent. Throughout the years, this outreach event has morphed into the premier conduit for introducing diverse businesses to water utility prime contractors.

According to the CPUC's General Order 156, participating utilities are to establish and maintain a second-tier program for the purpose of encouraging their prime contractors to utilize WMDVLTBEs. The first invitation-only "Meet the Primes" event was held in June in Ontario, California and served to bring water utility prime contractors together to meet diverse businesses. The event was specifically targeted to provide products or services for jobs on the books ready to go.



Chris Schilling Delivering the Executive Message at the Southern California "Meet the Primes" Event.

Prime contractors are encouraged to subcontract work performed on the utilities' behalf to DBEs and to report the cost for those services on a time schedule agreed upon by their utility customers. CWA member companies further ask their primes to consider developing their own supplier diversity programs. To that end, the CWA USDP committee makes available an instruction manual detailing how to create a supplier diversity program.

The Southern California event drew more than 70 people, including 12 prime contractors looking for possible subcontracting opportunities. For the first time, the committee utilized the services of the Women's Business Enterprises Council West to manage the matchmaking portion of the event. Chris Schilling, President and CEO of Park Water Company, delivered the executive message emphasizing utility members' commitment to supplier diversity and to



the benefits of a diverse supply chain. The highlight of the event was a panel of utility prime contractors responding to questions about their subcontracting requirements and other questions from the audience. W.A. Rasic Construction, County Pipeline, G.M. Sager and CivilTec Engineering were among the prime contractors in attendance.

Survey results indicated that more than 75 attendees would be extremely likely to recommend the event to friends or colleagues. When asked in the survey,

“What does CWA’S Meet the Primes event do really well”, a few of the comments included, “Brings top water companies to the event”; “Set up primes that are looking to work with subs”; and “Getting the right people together.”

The Northern California event was held in September in Campbell, California. Palle Jensen, Senior Vice President of Regulatory Affairs at San Jose Water Company, delivered the executive message, pointing out how far the water utilities have come in attaining the GO 156 program goals. There were more than 50 attendees, including ten prime contractors looking for subcontractors. Among the primes attending were Beebe Diversified, Crosno Construction and West Valley Construction.

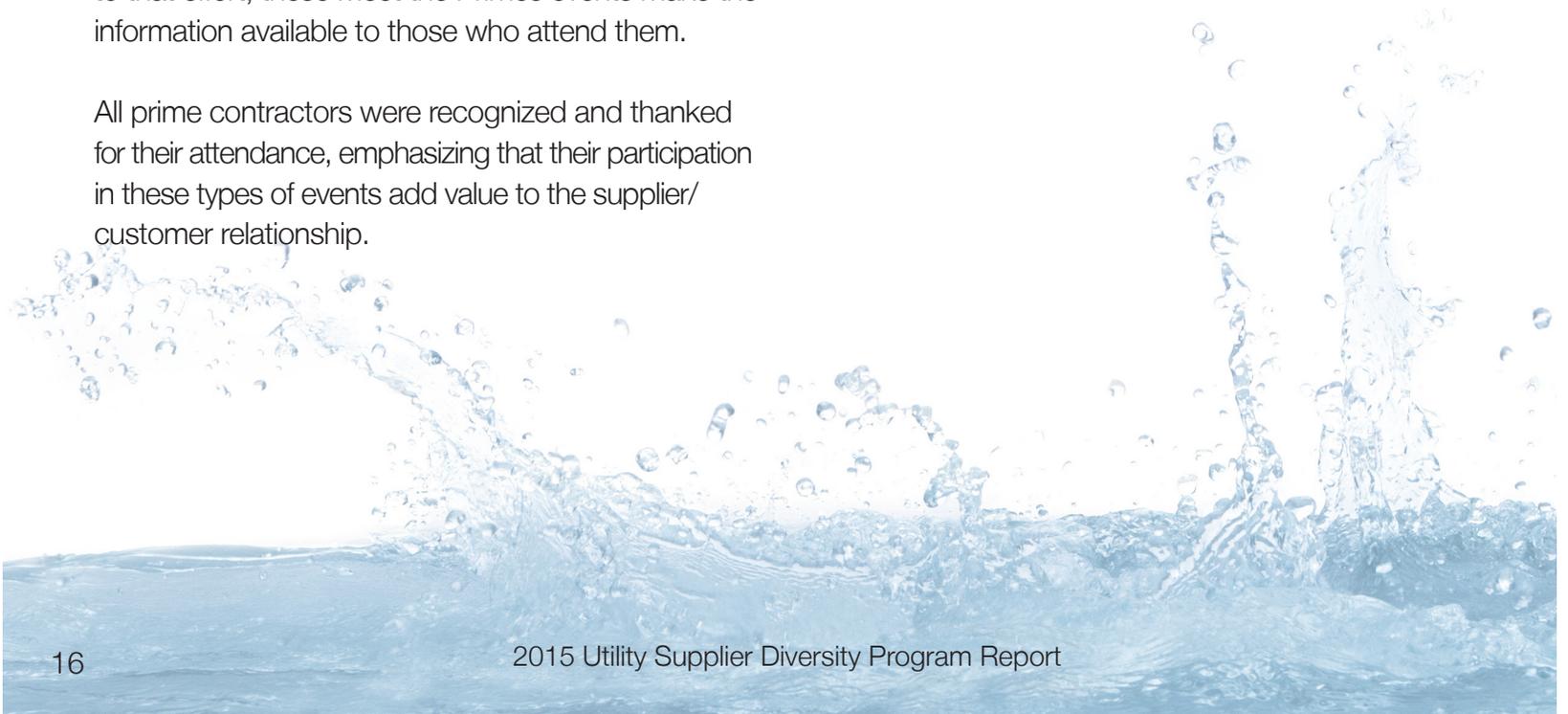
A few of the comments from the survey were: “The event was very well structured. I liked the prime panel”; “... it would be nice to see more opportunities for professional services companies.” All who responded to the survey thought the event was either extremely or very well organized, and the overall satisfaction level with the event was extremely satisfied.

The sentiment among many community-based organizations is that utilities make prime contractor contact information public. As the major participating utilities, including many water utilities, remain resistant to that effort, these Meet the Primes events make the information available to those who attend them.

All prime contractors were recognized and thanked for their attendance, emphasizing that their participation in these types of events add value to the supplier/customer relationship.



Tim McLaughlin, San Jose Water Company Moderating A Panel of Prime Contractors for SanJose Water Company, California American Water Company and California Water Service.





West Valley Construction – A History of Prime Success

West Valley Construction has a decade's long history supporting SJWC's supplier diversity program. 2015 was no exception to the exemplary service provided by West Valley Construction. Subcontracting to 13 diverse businesses allowed West Valley Construction to contribute nearly \$4M in diverse spend to SJWC.

In 2015, West Valley Construction again exceeded the CPUC goals for diverse spend for San Jose Water Company and other utilities. Although West Valley has reached the CPUC goal, they continue efforts to increase diversity supplier participation. Although challenges remain, West Valley is committed to supplier diversity and understands the benefit to West Valley and its prime customers.

The following supplier diversity highlights were provided by West Valley:

- West Valley participates in many diversity events. You never know who you are going to meet and what product or service they can provide to help your business. Case in point, at the 2015 California Water Association (CWA) Prime Supplier Matchmaker meeting, West Valley was finishing the matchmaking session when a pair from an aerial photography company approached us with their latest capabilities. In the short ten minute meeting, we recognized that they provide a service that would be beneficial, scheduled a follow up meeting and demonstration, and have contracted with this company to perform some services.
- One of our prime customers asked us to demonstrate our outreach and mentoring capabilities. Although we do, it could not be demonstrated. In 2015, West Valley created a database to track our outreach and mentoring activities. We now have a log to record these events. This works as a 'check' for West Valley to make sure we follow up on what we say we are going to do.

**Find out more about West Valley Construction by visiting
www.westvalleyconstruction.com**

CORPORATE
MARKETING GROUP



Corporate52 Marketing Group – An Outreach Example

SJWC was introduced to Corporate 52 Marketing Group while attending the Women's Business Enterprise National Council (WBENC) national conference June 22-25, 2015. During that time, Corporate 52 President, Temeria Heard, expressed the desire to expand her business to the West Coast. Having certifications from both the National Minority Supplier Development Council (NMSDC) and WBENC, positioned Corporate 52 well for expansion. Over a period of several months, SJWC provided Corporate 52 information regarding CPUC certification, with specific emphasis on the Comparable Verification process, allowing NMSDC or WBENC certified firms to utilize an abbreviated clearinghouse application. Corporate 52 applied in July and received CPUC clearinghouse certification on August 26, 2015.

Since then, Corporate 52 Marketing Group has received multiple orders from SJWC and CWA. This is an excellent example of how outreach works.

Find out more about Corporate 52 Marketing Group by visiting

www.corporate52.com

or emailing President Temeria Heard at theard@corporate52.com



SJWC and HDR – Montevina Water Treatment Plant Improvements Project

In 2014, SJWC awarded a Design-Build contract to HDR, Inc. for the design and construction of major improvements to the Montevina WTP. The project includes construction of a state-of-the-art microfiltration membrane system and major upgrades to other treatment processes and construction of new operations and administration buildings among other plant upgrades at the main WTP site and nearby solids handling area. SJWC and HDR collaborated during 2014 and the first half of 2015 to develop the design for the plant improvements and prepare a subcontractor and equipment procurement plan that supported SJWC's USDP. Construction of the project started in July 2015 and to date, nearly \$6.7 million of subcontracts have been issued to SJWC USDP qualifying subcontractors. Below are some of the USDP highlights of the project to date and 2015 in particular:

- Prior to construction, SJWC and HDR, conducted a partnering workshop with SJWC and HDR project staff as well as initial subcontractors to develop a partnering charter and establish a set of common goals and objectives for the performance of the project. One goal stated in the partnering charter was to “Maximize the opportunity to include diverse utility subcontractors and suppliers” in support of SJWC's supplier diversity program as shown in the figure.
- HDR participated in the 2014 and 2015 California Water Association Business Opportunity Fairs



hosted by SJWC and other investor owned utilities in the San Jose area. During these business outreach events HDR identified and hired two specialty subcontractors who have provided professional services on the project. ERRG, Inc., an environmental consulting firm based in San Francisco, was utilized during the design phase to conduct environmental inspection and assessment of existing plant buildings and structures. Cal Vada Surveying Inc., located in the Bay Area, was hired to provide construction surveying for the project. Cal Vada's participation in the project will continue throughout 2016.

- Since the inception of the project, ten diverse suppliers have been hired by HDR to provide the following professional design or construction services including the following:
 1. ERRG, Inc. – Environmental testing and assessment
 2. Cal Vaeda Surveying, Inc. – Construction Surveying
 3. Zone 6 Surveying – Design surveying
 4. Denise Duffy & Associates – Environmental monitoring
 5. Ninyo & Moore – Construction materials testing
 6. Pridestaff – Construction administrative services
 7. RFE Engineering – Civil engineering design
 8. Bay Area Traffic Solutions – Traffic safety signage
 9. Lopes Electric – Electrical construction
 10. Blocka Construction, Inc. – Electrical and instrumentation & controls construction
- One of the two major trade subcontractors hired by HDR for the project (Blocka Construction, Inc.), is a WBE. Blocka's current contract amount is over \$6 million, and their work started in 2015 and will continue through the first quarter of 2017.

Find out more about HDR by visiting
<http://www.hdrinc.com>

2016 ANNUAL PLAN

10.1.1 Goals

Category	2015	2016
Minority (MBE)	11.8%	15.0%
Women (WBE)	5.0%	5.0%
Disabled Veteran (DVBE)	0.4%	1.5%
Gay, Lesbian, Bisexual, Transgendered (LGBT)	0.0%	0.5%
TOTAL:	17.2%	22.0%

In 2016, SJWC's USDP will focus on achieving the following results:

- Focused programs in MBE, DVBE and LGBTBE utilization
- Modification of SJWC's ERP systems to more efficiently capture and report supplier diversity data
- Increase utilization of PRISM software in order to more efficiently report overall supplier diversity results
- Increase visibility of procurement opportunities earlier in the purchasing process
- Work with supplier diversity champions to provide diverse business request for proposal participation
- Identify suppliers in low utilization areas and seek means to include diverse businesses in these opportunities

10.1.2 Planned Internal/External Activities

Internal Activities

Technical Resources

SJWC will continue its efforts to implement supplier diversity reporting tools that will support the efforts of providing detailed program progress and departmental participation.

We will fully implement the Ambassador Program, identifying and training internal personnel to represent SJWC at various supplier diversity events throughout the year.

The Supplier Diversity Manager will increase the frequency of supplier diversity communication to internal stakeholders, with emphasis on opportunities and quarterly results.



External Activities

Supplier Development and Mentoring

In compliance with Ordering Paragraph No. 4 of CPUC D.11-05-019 (in R.09-07-027), SJWC will continue to work closely with CWA and its members to participate in the Tier 1 capacity building and technical assistance program.

In 2016, SJWC will continue to work with CWA and its member companies to host Business Opportunity Fair meetings, encouraging prime suppliers to increase sub-contracting participation.

SJWC forms relationships with suppliers and will sponsor diverse business attendance at events that are designed to educate suppliers on doing business with utilities and provide direction and instruction on increasing the probability of working with all CPUC utilities.

SJWC will continue to participate in and attend a variety of outreach activities with various CBO trade-shows, conferences and matchmakers.

10.1.3 Recruitment Plans for Suppliers in Underutilized Areas

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

- Minority Owned Businesses
- Native American Owned Businesses
- Disabled Veteran Owned Businesses
- Gay, Lesbian, Bisexual and Transgendered - - Owned Businesses

10.1.4 Former Section 10.1.4 “Plans for Recruiting Diverse Suppliers in excluded Categories”

No longer applicable

10.1.5 Planned Sub-contracting

SJWC 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, SJWC will continue to hold prime supplier contractor meetings and matchmaking events to increase sub-contracting opportunities with SJWC’s largest prime suppliers. SJWC will set targets and provide tools such as on-line subcontracting reporting (PRISM) necessary for our prime suppliers to actively participate and achieve such goals.

In addition, SJWC Supplier Diversity will hold periodic training sessions with prime suppliers making up the top 80% of 2015, emphasizing the prime supplier role and expectations regarding subcontracting.

10.1.6 Plans for compliance with WMDVLGBTBE Program Guidelines

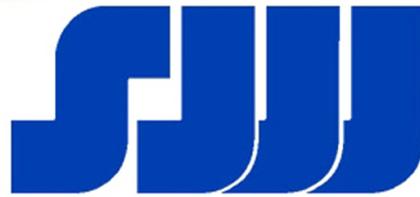
SJWC will comply with all provisions and revisions of General Order 156. SJWC works cooperatively with the Commission and its staff in the implementation of program objectives.

The USDP Program Manager will continue to proactively work with USDP Champions to review, streamline, and improve policies that implement department goals and contract language to include diverse suppliers in capital projects.

Objective #1 Compliance with GO 156 - Reporting

Enhancements to reporting tools and online sub-contracting reporting will improve company-wide visibility and awareness in areas of procurement focus. This improvement will increase SJWC’s ability to monitor program progress as well verify certification eligibility and improve USDP program participation in all business areas.





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