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CENTER *for*  
MULTICULTURAL  
SCIENCE



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A Presentation for En Banc - October 8, 2015

# CPUC Supplier Diversity Study

# Economic Power of California

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

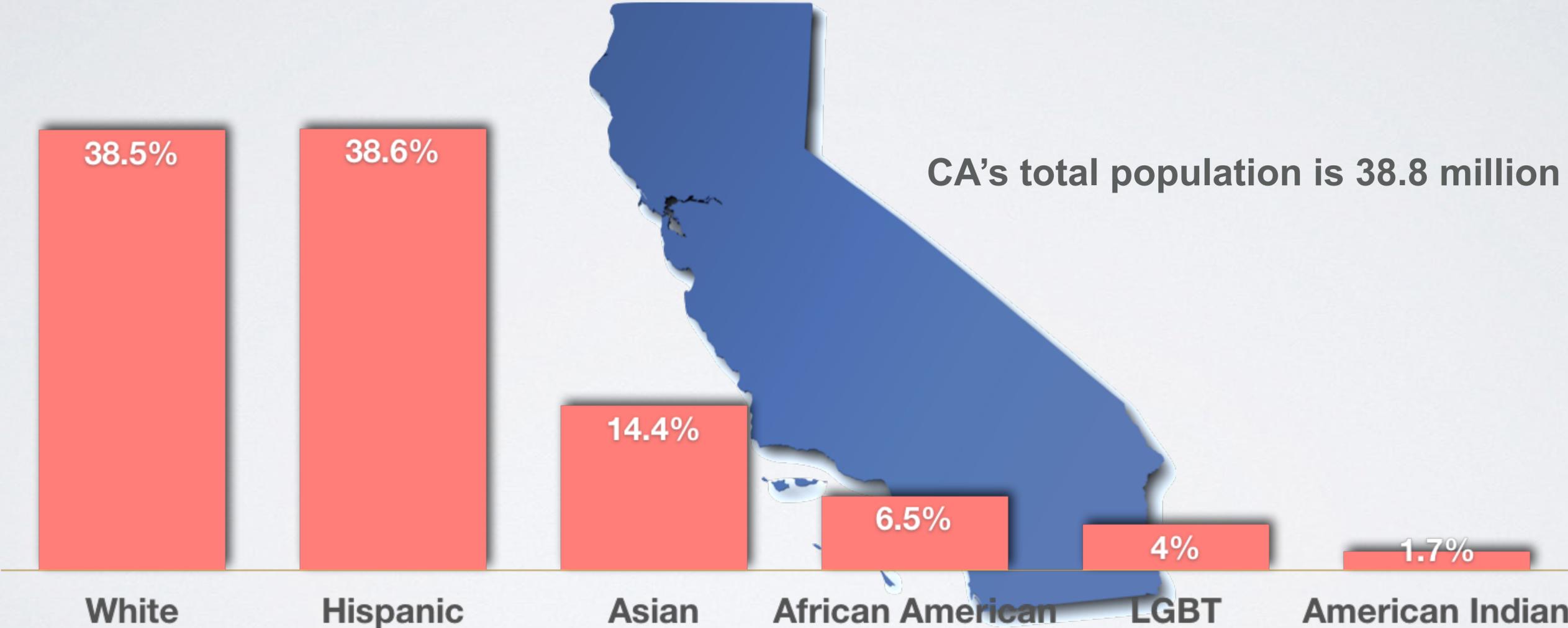


Source: World Bank (2014)

[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](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

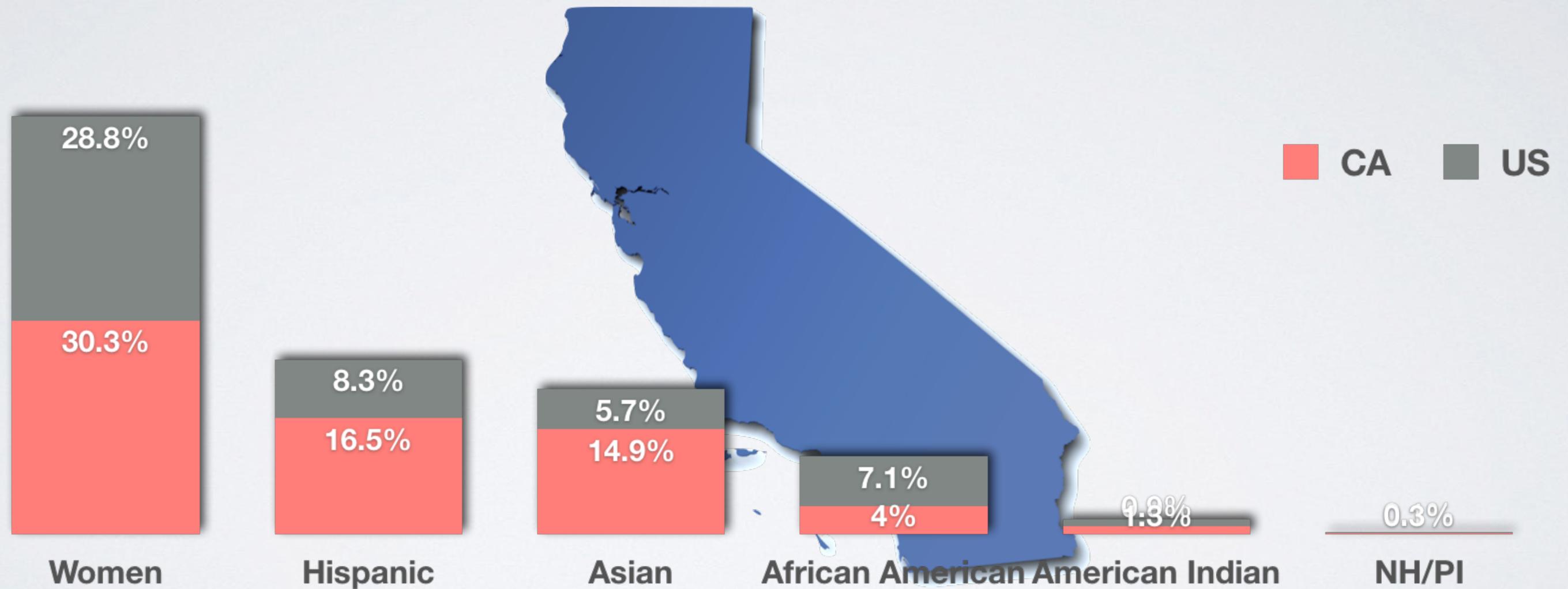


Source: US Census (2014)

<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

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%)

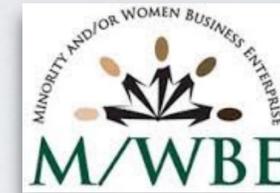
## Certification



50%



47%



18%



1%



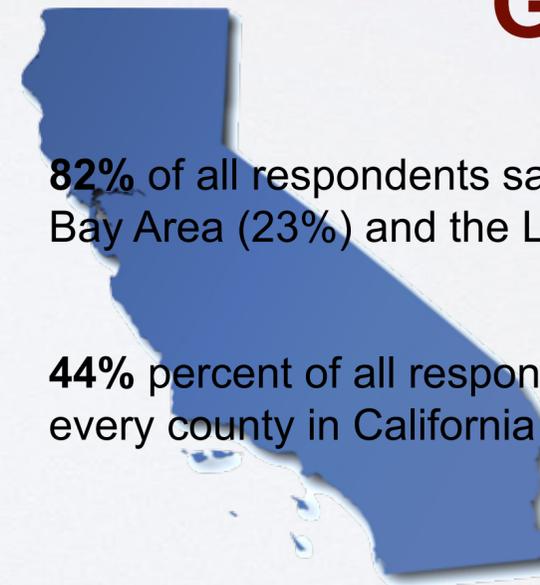
## Industries



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



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

# CA Gross Receipts Based on Utility Contracts

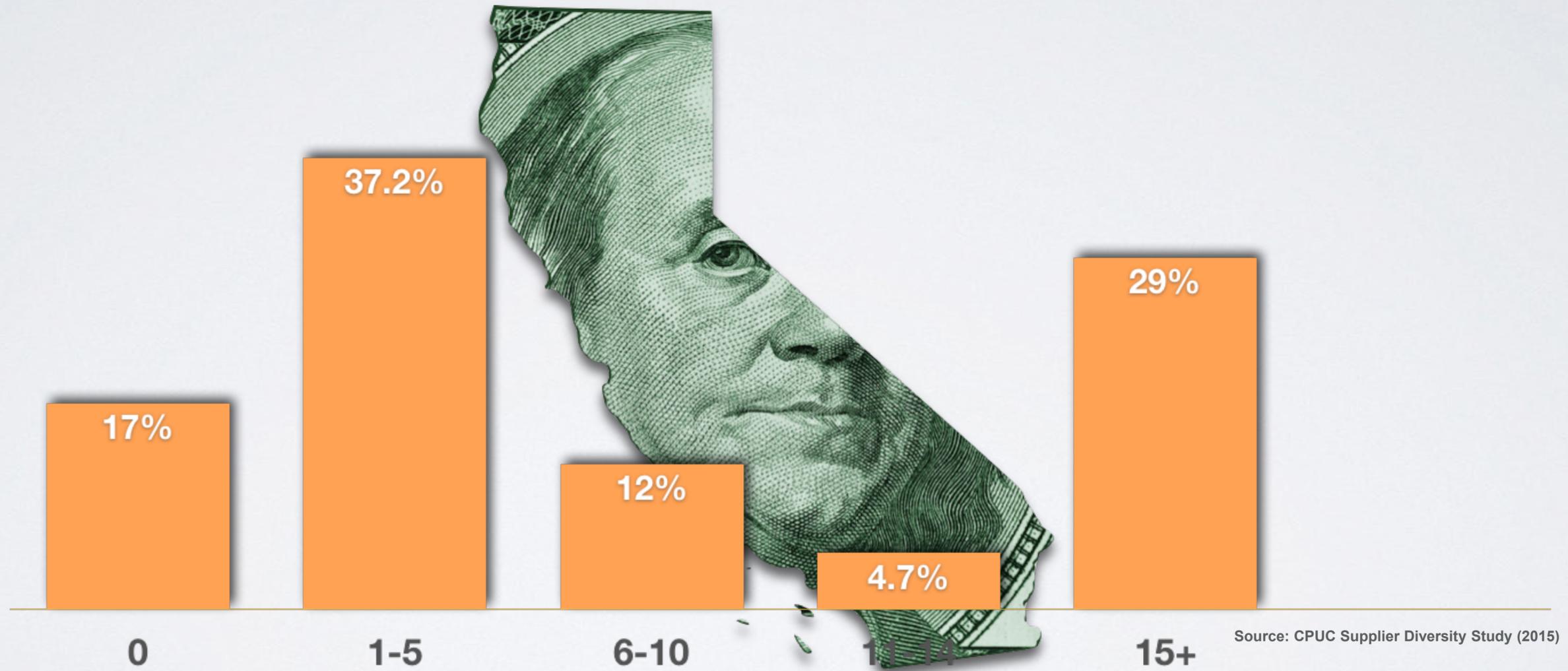
60% of respondents had utility contracts worth \$500,000 or less in 2014



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



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

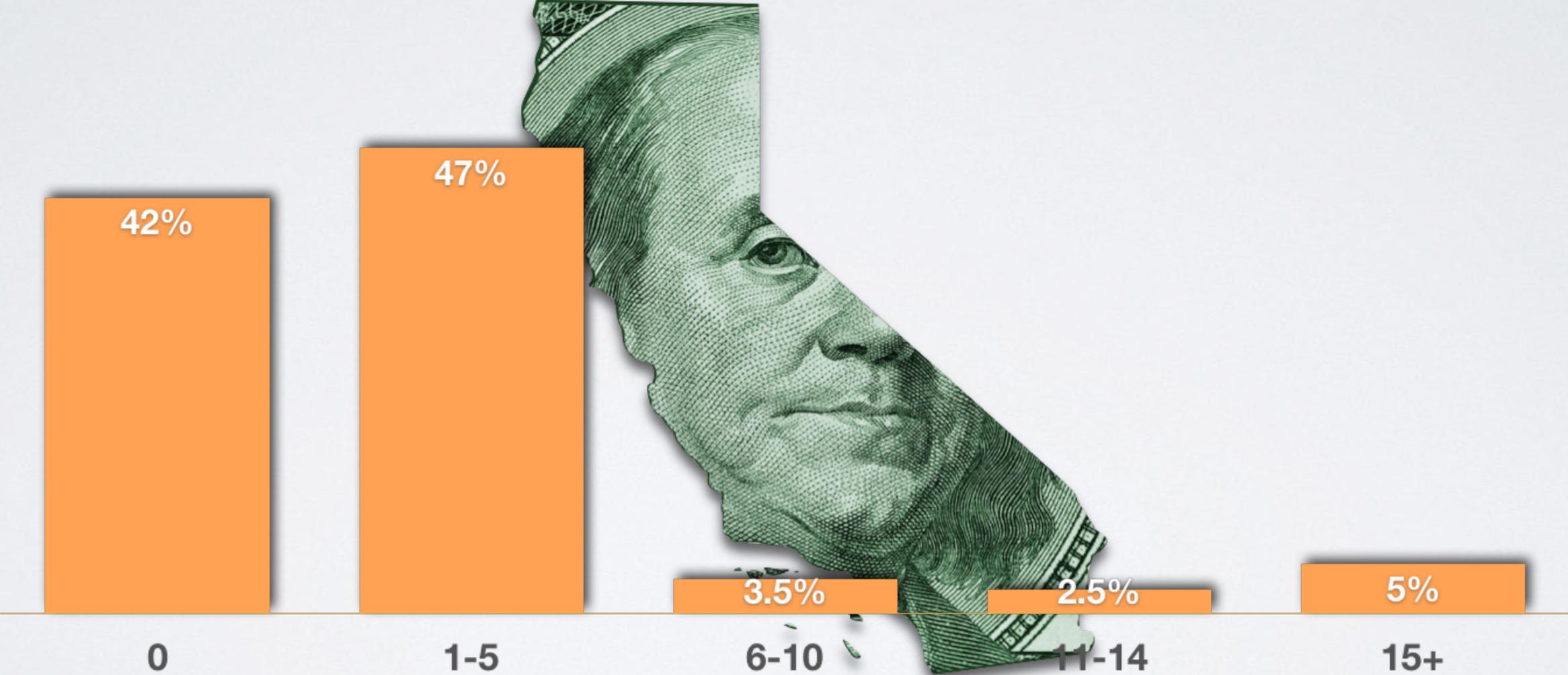


Source: CPUC Supplier Diversity Study (2015)

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

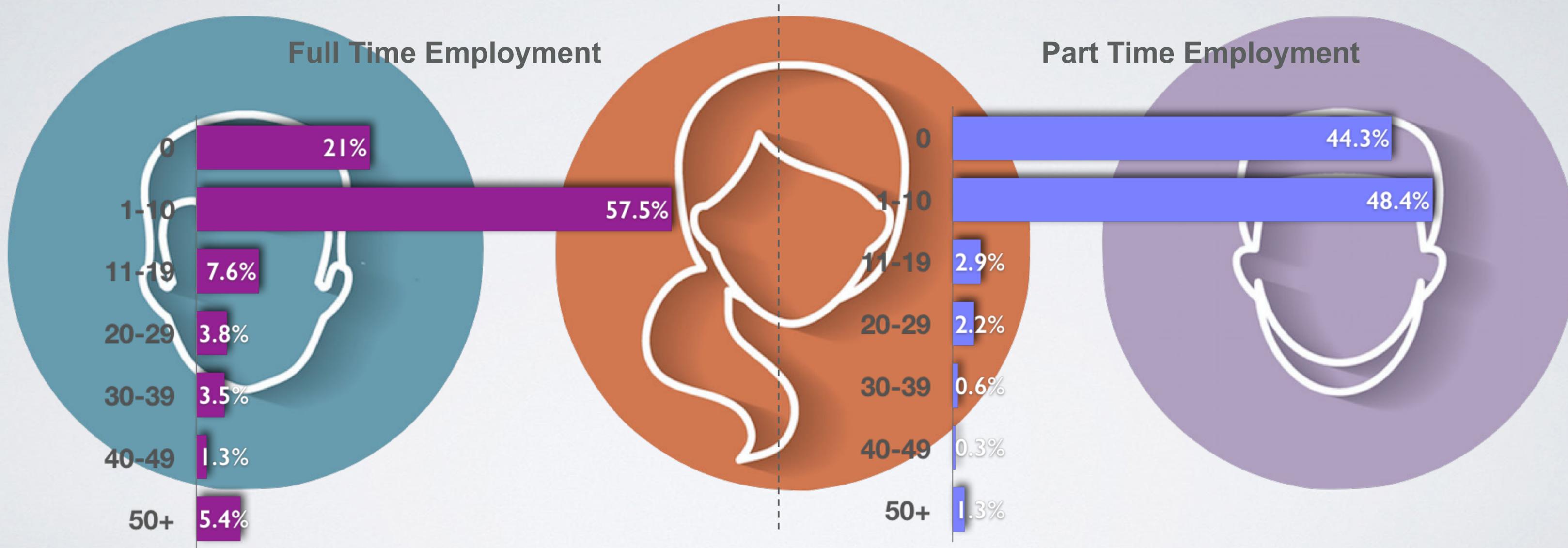
Close to Half (47%) of respondents were awarded utility contracts worth \$50,000 or less in 2014



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

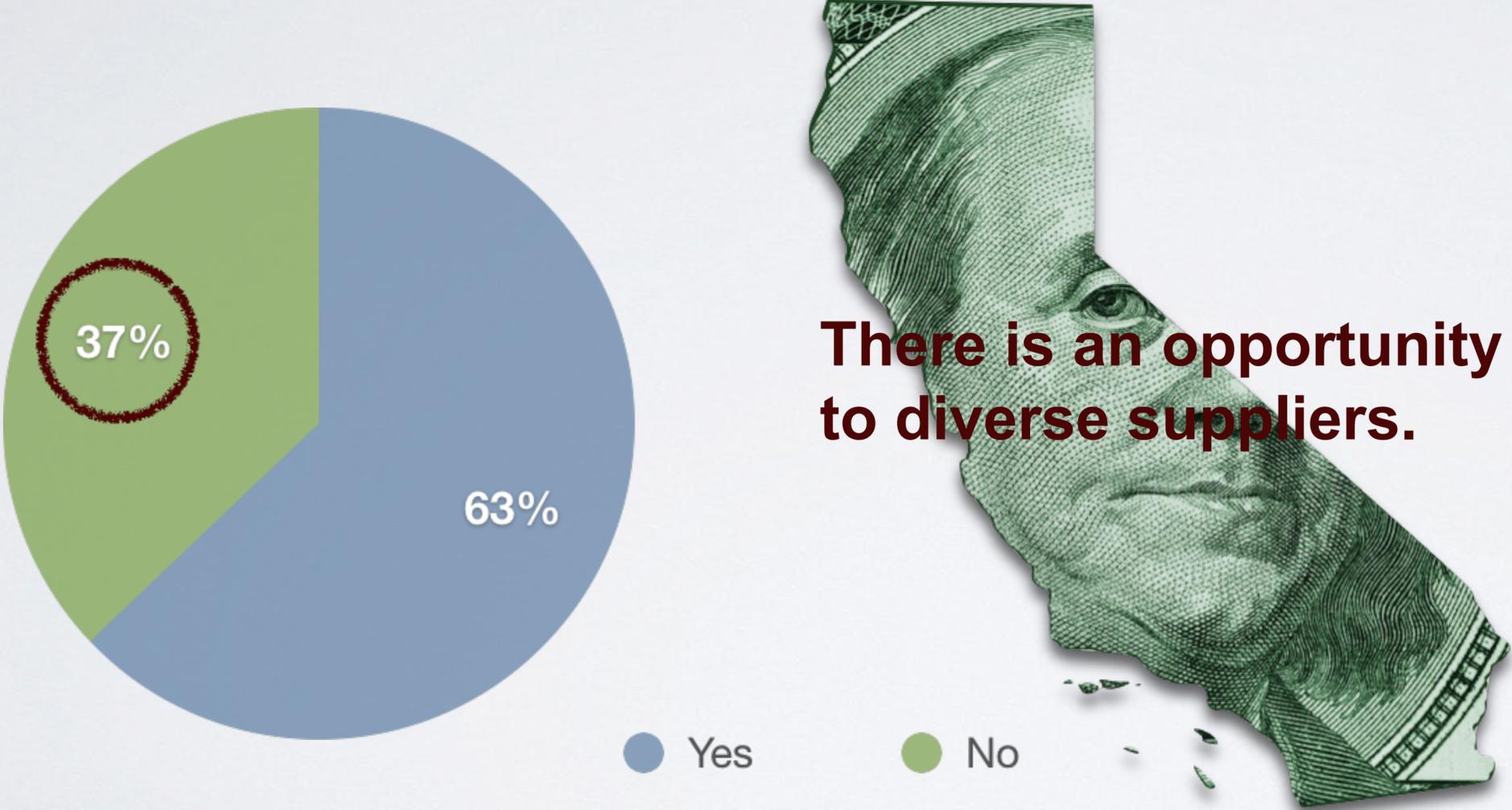
80% of respondents paid \$500,000 or less in CA States taxes in 2014



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?

# 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**





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

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