CELEBRATING 30 YEARS OF SUPPLIER DIVERSITY EXCELLENCE





CONTENTS

CEO'S Message	2	2018 ANNUAL REPORT CONT.
Supplier Diversity Highlights	3	9.1.4 Goal Progress
General Order 156 Highlights	4	9.1.5 Subcontractors
2018 ANNUAL REPORT		9.1.6 Complaints
9.1.1 Program Activities	7	9.1.7 Exclusions
9.1.2 Summary of Purchases/Contracts	<u>'</u> 21	9.1.8 Efforts to Recruit Diverse Suppliers in Underutilized Areas
<u> </u>		9.1.9 Retention of All Documents/Data
	21	9.1.10A Participation Results by Fuel Category
9.1.4 Goal Progress	21	9.1.10B Market Conditions and Outreach
9.1.5 Subcontractors	22	2010 ANNUAL DI AN
9.1.6 Complaints	23	2019 ANNUAL PLAN
9.1.7 Exclusions	23	FUEL PROCUREMENT FOR NON-GENERATION
9.1.8 Diverse Suppliers in Underutilized Areas	23	10.1.1 Goals
2019 ANNUAL PLAN		10.1.2 Planned Activities
10.1.1 Goals	28	10.1.3 Recruitment Plans for Suppliers in Underutilized Areas
10.1.2 Planned Activities	29	10.1.4 Exclusions
10.1.3 Recruitment Plans for Suppliers in Underutilized Areas	32	10.1.5 Subcontracting Plans
10.1.4 Exclusions	32	10.1.6 Program Compliance
10.1.4 Exclusions 10.1.5 Subcontracting Plans	32	CHART ADDENDUMS
10.1.6 Program Compliance	34	9.1.2 Summary of Purchases/Contracts
2018 ANNUAL REPORT		9.1.10A Annual Energy Product Results by Ethnicity and
FUEL PROCUREMENT FOR NON-GENERATION	35	WMDVLGBTBE Certification
9.1.1 Program Activities	35 36	9.1.2 Number of WMDVLGBTBE Suppliers and
		Revenue Reported to the Clearinghouse
9.1.2 Summary of Purchases/Contracts	36	
9.1.3 Program Expenses	37	

41-47

About the cover. As we commemorate the 30th anniversary of General Order 156, which was a gamechanger for California investorowned utilities in how they purchased goods and services from diverse businesses, we salute those who have been instrumental in our supplier diversity success. Pictured on the cover are (from left): former Assemblywoman Gwen Moore, who drafted legislation that led to General Order 156; the late Supplier Diversity Manager Jeff Thorsen, who played a key role in shaping our program; and our longtime suppliers Maurice Ortega (A.M. Ortega), Janice Bryant-Howroyd (Agile 1 Group/AGILEONE) and Robert Milton (R.E.M. Engineering).

GENERAL ORDER 156

CELEBRATING 30 YEARS

OF SUPPLIER DIVERSITY EXCELLENCE

Thirty years ago, supplier diversity didn't have the same level of focus as it does today. That changed in 1988 when the California Public Utilities Commission (CPUC) issued its order requiring the state's investor-owned utilities to develop and implement programs to increase the use of diverse suppliers.

Years earlier, SoCalGas® leaders had the foresight to establish SoCalGas' Supplier Diversity Program. This was guided by the belief that growing purchases with diverse suppliers was good for SoCalGas, our customers and our communities. General Order 156 reinforced our pledge to increase purchases with women- and minority-owned firms, and later disabled veteran-, lesbian-, gay-, bisexual- and transgender-owned business enterprises.

Since we began our activities and made supplier diversity a way of life, we have built a robust program focused on technical assistance and development, outreach and partnerships. This led us to achieve 40.12 percent, or \$673.4 million, of purchasing expenditures with diverse firms in 2018 and exceed the CPUC's goal for 26 straight years.

We are proud of our accomplishments and even prouder to have had a hand in helping diverse firms become more competitive, create jobs and help communities thrive. Moving forward, we remain focused on sustaining supplier diversity by providing diverse firms the tools they need to succeed and broadening procurement opportunities with SoCalGas and other utilities.

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transgender-owned
business enterprises.

CEO'S MESSAGE

More than 40 years ago, our leadership had an insightful vision to increase the number of diverse firms working with SoCalGas. By the time I arrived in 1982, our Supplier Diversity Program was beginning to take shape. At that time, the focus was on getting diverse suppliers into our supply chain; we didn't have any formal outreach process, technical assistance or mentoring programs.

In 1988, the CPUC adopted General Order 156, which outlined guidelines to promote utility recruitment and use of women- and minority-owned business enterprises. This brought our program into even clearer focus.

As we reflect back over the years, it is amazing just how far we've come. Today, supplier diversity is engrained as a foundational value in how we do business. The results speak for themselves – we are now more competitive and adaptable to changing conditions. We have made significant investments in comprehensive supplier diversity initiatives, provided technical assistance to help diverse firms grow and succeed and have worked with more than 30 organizations to extend our reach to companies that want to do business with us.

In 2018, we had 583 diverse suppliers working with us and over 40 percent of our total purchases were with women-, minority-, disabled veteran-, lesbian-, gay-, bisexual- and transgender-owned businesses. As SoCalGas evolved, we've been able to maintain our momentum in supplier diversity. Last year, we exceeded the CPUC's 21.5 percent goal for the 26th straight year.

We've come a long way, considering we only had 2.2 percent of our expenditures with diverse suppliers

when we began reporting our supplier diversity activities in 1979. I still remember the challenges of communicating the value and benefits of supplier diversity with non-diverse suppliers during the early years of our program. It brings me great joy to see these companies thriving today with their own supplier diversity initiatives and sharing our company vision.

I'm proud our company recognized that increasing purchases with diverse firms was the right thing to do, well before General Order 156. I'm even prouder that our activities and investments have not only made SoCalGas a leader in supplier diversity, but also contributed to a stronger local economy, job growth and an improved business climate.

As we commemorate the 30-year anniversary of the CPUC's landmark decision and celebrate the 45th anniversary of our Supplier Diversity Program in 2019, we remain committed to building on our foundation of excellence and continuing to advance supplier diversity inside and outside SoCalGas.

Set

Bret LaneChief Executive Officer



recognized that increasing purchases with diverse firms was the right thing to do, well before General Order 156.

SUPPLIER DIVERSITY 2018 HIGHLIGHTS

\$673.4M SPEND WITH DIVERSE FIRMS



TOTAL PURCHASES WITH DIVERSE SUPPLIERS



583

DIVERSE SUPPLIERS WORKING WITH SOCALGAS



SOCALGAS SUPPLIERS ARE DIVERSE FIRMS



IN SCORE

PROGRAM SPEND



118 **NEW DIVERSE FIRMS**



CPUC GOAL **SURPASSED**



OF OUR DIVERSE **SUPPLIERS ARE** IN CALIFORNIA



DIVERSE PRIME SUPPLIERS



SUPPLIERS RECEIVED TECHNICAL ASSISTANCE

NEW MAJOR CONTRACTS WITH DIVERSE SUPPLIERS



ENVIRONMENTAL



FACILITIES



FINANCE



MOBILE HOME PARK



CATHODIC PROTECTION

GENERAL ORDER 156

A GAMECHANGER FOR CALIFORNIA INVESTOR-OWNED

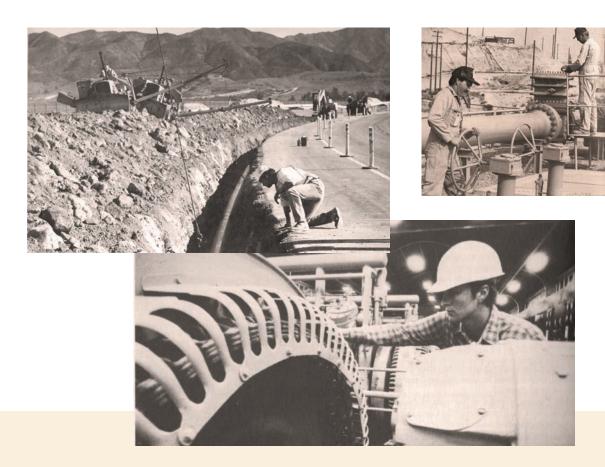


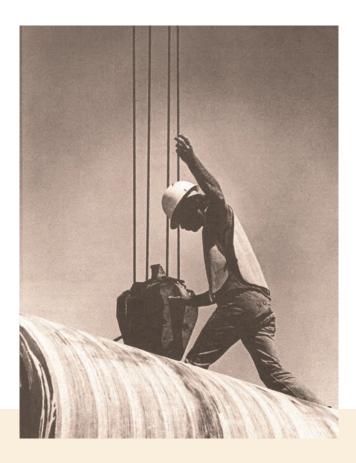
In 1988, California Assemblywoman Gwen Moore noticed investor-owned utilities were spending a small fraction of their total procurement dollars with diverse suppliers. A longtime advocate for small and minority businesses, she authored historic legislation that led to General Order 156 – guidelines to promote utility recruitment and the use of women- and minority-owned business enterprises in the state.

Under the order, the CPUC required all investor-owned electric, natural gas, water and telecommunication utilities with gross annual revenues over \$25 million (as well as their regulated subsidiaries and affiliates) to develop and implement programs to increase the use of women- and minority-owned businesses.

Procurement goals of five percent for women and 15 percent for minority businesses were initially established. General Order 156 was later expanded to include disabled veterans with a one and a half percent target and lesbian-, gay-, bisexual- and transgender-owned businesses.

UTILITIES AND DIVERSE BUSINESSES





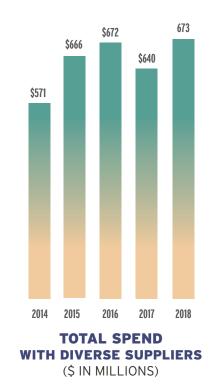
Meanwhile, the Supplier Clearinghouse was created to certify diverse firms and make it easier for utilities to find and seek procurement opportunities with them. The agency continues to verify the status of diverse suppliers and maintains a database of about 7.900 certified firms that is accessible by utilities.

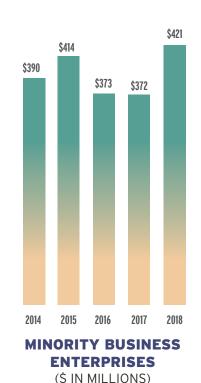
In 2017, the state's investor-owned utilities spent about \$10.5 billion in goods and services with women-, minority-, disabled veteran-, lesbian-, gay-, bisexual- and transgender-owned, with SoCalGas and others regularly reporting more than 40 percent in expenditures with diverse suppliers.

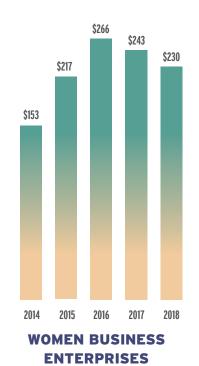
Looking back on the past 30 years, it's clear General Order 156 has not only helped diverse businesses with new procurement opportunities and utilities with innovative products and services, but has also assisted communities across the state through job growth and economic benefits.

PROCUREMENT RESULTS

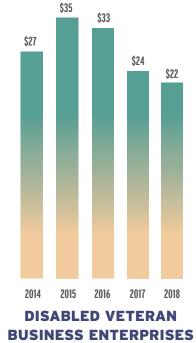
SOCALGAS SPEND 2014-2018







(\$ IN MILLIONS)



2018 ANNUAL REPORT

9.1.1 PROGRAM ACTIVITIES

TOTAL PROCUREMENT RESULTS	2018		2017	
Total	\$1,678,322,093		\$1,521,701,108	
Minority Business Enterprises (MBE)	\$421,017,207	25.09%	\$372,066,029	24.45%
Women Business Enterprises (WBE)	\$229,876,588	13.70%	\$243,217,101	15.98%
Disabled Veteran Business Enterprises (DVBE)	\$22,413,802	1.34%	\$24,316,112	1.60%
Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBE)	\$63,216	0.00%	\$703,014	0.05%
Total WMDVLGBTBE	\$673,370,813	40.12%	\$640,302,256	42.08%

INTERNAL ACTIVITIES

CORPORATE COMMITMENT

We were committed to working with diverse firms for over a decade before General Order 156 was adopted. This commitment has been key to our mission of providing safe and reliable natural gas to customers at reasonable rates, while helping to bring economic benefits as well as job growth to local communities.

A diverse supplier base contributes to reduced operating costs, provides us with quality goods and services and makes us more competitive. Partnering with diverse firms also gives us a supplier base that better reflects the diverse communities we serve and helps us build and sustain stronger neighborhoods.

In 2018, our supplier diversity activities led us to achieve 40.12 percent, or \$673.4 million, spend with diverse businesses. We reached this level of success by investing our time and resources in comprehensive supplier diversity initiatives, providing technical assistance and development programs to help foster the long-term success of diverse suppliers and forming community and business partnerships to extend our reach to diverse suppliers.

SUPPLIER DEVELOPMENT/TECHNICAL ASSISTANCE

In 2018, we offered several supplier development and technical assistance programs for diverse firms to advance their growth and success. Our program has helped make sure these companies are ready to do work with us and others. Last year, more than 446 diverse firms participated in these programs, which included:

- **Business Assessment**, a webinar-based program that assesses the condition of businesses, identifies areas for improvement, creates a plan to enhance performance and provides follow-up at specified intervals to monitor progress.
- *Elevate Entrepreneur Institute*, a three-part class that features topics such as strategic thinking and tactics to align goals to stay adaptable.
- Business Continuity, aimed at helping business owners resume operations after a major crisis, including natural disasters and cyber breach.



The response to our programs was overwhelmingly positive, with many participants stating they developed business plans that enhanced their operations and/or improved their bottom line. Based on their feedback, we created a new workshop focused on cost/benefit analysis.

We continue to review the effectiveness of our curriculum so it remains relevant and adds value for our suppliers.

Smaller Contractor Opportunity Realization Effort

Our Smaller Contractor Opportunity Realization Effort (SCORE) program continued to support diverse firms interested in working with us. In 2018, more than \$26.1 million was spent with SCORE contractors in engineering design, construction, transportation and inspection services. This included a three-year, multimillion-dollar contract awarded to four smaller contractors to construct bollards around natural gas facilities of multifamily dwellings and commercial buildings throughout our service territory.

Through SCORE, designed for businesses with revenues under \$5 million and fewer than 25 employees, we look for internal projects to directly source with smaller firms. These opportunities often lead to participation in a competitive bid with like-sized companies. Upon winning a contract, SCORE contractors receive on-the-job training and feedback from project managers and are invited to attend business boot camps designed to help them grow and build capacity.



We held two SCORE boot camps in 2018, which focused on cost/benefits analysis and perfecting a social marketing presence. Based on feedback from our suppliers, these boot camps were highly effective and valuable in helping them grow their business.

Mentoring

SoCalGas continues to invest in the future of our suppliers by mentoring and helping them understand how to navigate through the utility procurement space. We identify high-potential suppliers and help them to understand branding, create comprehensive capability statements and prepare for presentations in front of key decision makers. We firmly believe mentoring suppliers is key to their overall success as we can help them identify and avoid some of the pitfalls associated with running a business.

Supplier Relationship Management

Our Supplier Relationship Management (SRM) program allows us to better manage our interactions with prime suppliers while optimizing performance in our suppliers through safety, quality, pricing and diverse subcontracting. SRM has led to more open communication, customized process improvements and increased cost savings with our largest suppliers.

In 2018, our major prime suppliers continued to contract with diverse companies and provide support and technical assistance that help prepare them for larger roles and possible prime supplier opportunities.

We also enhanced our SRM framework in 2018 with full implementation in 2019. We are also focusing on more two-way communication between SoCalGas and our supplier base.

NETWORKING AND MATCHMAKING FORUMS

During the year, we collaborated with several organizations to promote networking and matchmaking activities. These included:

Community-Based Organization Forum

SoCalGas hosted a Community-Based Organization (CBO) Forum with senior leaders from more than 25 business partners. Several of our vice presidents gave presentations on key company initiatives, business unit operations and shared future procurement opportunities. We also led a discussion on ways to increase the effectiveness of our technical assistance

VINCE LOPEZ JR. & SONS



Chance encounter leads to 38-year bond A year after starting his backhoe service company in Santa Maria, Vince Lopez Jr. was doing excavation work at a residence when the homeowner noticed his work quality. The man, a SoCalGas field supervisor, asked Lopez if he would be interested in bidding for work with the utility. That was in 1980, and Vince Lopez Jr. & Sons has been working with SoCalGas ever since.

"SoCalGas was our first major customer," says the founder's son, Vince Lopez III, president of Vince Lopez Jr. & Sons, noting the company performed trenching work for natural gas lines in the early years.

The disabled veteran-owned enterprise with 35 employees has expanded its services to include underground utilities, asphalt, concrete, demolition, sewer lines and more. Now the company performs paving and concrete restoration work for SoCalGas in several counties.

The younger Lopez, who was a medic in the U.S. Navy, and his brother, Butch, who serves as secretary, treasurer and project manager, helped propel the company's growth by expanding their customer base.

Still, the utility remains one of the company's largest and ongoing clients with about five employees dedicated to SoCalGas projects.

"SoCalGas helped us get the business up and running," says Lopez. "They were instrumental in helping us hire more employees, add new equipment and open doors."

ACT 1 GROUP/ AGILEONE



A platform for becoming one of the world's largest staffing firms Janice Bryant Howroyd has come a long way since she started her staffing company in 1978. Today, Act 1 Group, which serves Fortune 1000 companies with business solutions through its three flagship brands - AppleOne (staffing), AgileOne (total workforce management) and A-Check Global (background screening) - has over 17,000 clients and 2,800 employees in 32 countries. And, Howroyd is widely regarded as being the first African American woman to build and own a \$1 billion company.

She credits her first contract with SoCalGas for providing the platform for her firm's extraordinary growth. "SoCalGas was our first major client and they had the strength of conviction to develop a process offering diverse suppliers opportunities to contracts and we were thrilled to have won on merit," she says. "Through our relationship with SoCalGas, we developed an expertise in the utility and energy space, which supports us to be a premier solutions company."

The Torrance-based firm initially provided SoCalGas with temporary staffing services. Later expanding to include technology and management solutions through AgileOne, whose managed services program administer

workforce procurement strategies, streamlined talent acquisition processes and provides insight into supplier and temporary labor performance.

In 2017, AgileOne began providing vendor management services for SoCalGas' Pipeline Safety Enhancement Program, followed by another contract in 2018 for nonemployee workforce management services.

"SoCalGas has been outstanding in supporting our growth," says Howroyd, "A lot of companies brag about supplier diversity, but SoCalGas lives it! This means everything to a diverse business owner like me and to the many people we employ."

continued from page 9

programs and had a productive discussion on strategies to improve communication and coordination between CBOs and SoCalGas. This forum provided an opportunity for our CBO partners to better understand our business and help in vetting and the recruitment of diverse suppliers.

Supplier Diversity Summit/Meet the Primes

More than 150 non-diverse prime and diverse suppliers participated in our Supplier Diversity Summit/Meet the Primes with KPMG and the National Diversity Coalition (NDC). The event gave diverse firms an opportunity to share their capabilities and experience with SoCalGas business unit managers in their respective fields with the goal of creating business opportunities and relationships.

Additionally, the event offered suppliers information on access to capital, branding, business strategies and disaster preparedness. Representatives from our various business units as well as prime supplier decision makers were on-hand to offer insight and feedback to firms seeking opportunities with SoCalGas and our prime suppliers.

We also offered tips and best practices on how to work with large consulting and professional services firms and encouraged diverse firms to seek subcontracting opportunities with large prime contractors as well as direct contracts with SoCalGas.

This highly popular event, which included partnering with regional water and electric utility companies, drew prime contractors from financial services; natural gas, electric and water utility construction; engineering; and environmental services industries. It also featured presentations from SoCalGas category and portfolio managers, CPUC and Supplier Clearinghouse representatives and included panel discussions with prime suppliers and SoCalGas project managers.

LGBT Workshops

We participated in several lesbian, gay, bisexual and transgender (LGBT) workshops focused on doing business with utilities. At these workshops, we shared information on the certification process, being prepared to compete and understanding scope of work. At one workshop hosted by the Golden Gate Business Chamber, we met with over 100 business owners and shared our perspectives on submitting bids and the overall procurement process.





In addition, we participated on a panel at the National Gay and Lesbian Chamber of Commerce and met with 50 potential suppliers. We provided advice on such topics as whom to contact, what a bid response should entail, how to represent your business and how to effectively communicate with utilities.

Legal Workshop

Supplier Diversity and Legal worked with NDC and three outside law firms to host a legal workshop on pro bono opportunities for 14 CBOs. These firms provided an overview of their pro bono programs and specialized legal services targeted for underserved communities. The feedback was overwhelmingly positive as CBO leaders left feeling confident that their constituencies, collectively serving over 5,000 individuals, can receive assistance with their pressing legal matters.

SUPPLIER SEGMENTATION STRATEGY

A key best practice in supplier diversity is our Supplier Segmentation Strategy, which better aligns our technical assistance programs and opportunities with our suppliers' needs. Our strategy places diverse suppliers into four categories based on spend with SoCalGas and provides a more customized approach for technical assistance, mentoring and onthe-job training opportunities.

Key components of our strategy include:

- Discover New suppliers we find through outreach efforts and who can provide goods and services in traditionally low-utilization categories.
- **Develop** Companies ranging in spend up to \$5 million that will benefit from programs such as SCORE, development of a strategic growth plan, mentoring and on-the-job training. Specific technical assistance programs have been developed to address the needs of this segment.
- Grow Businesses with a spend range over \$5 million to \$10 million.
 We are focused on building capacity and sustaining growth with these suppliers, which are prepared to transition from a SoCalGas subcontractor to a prime supplier.

• **Sustain** - Our largest suppliers with spend greater than \$10 million. Our goal is to develop true strategic partners that will make sure pricing is competitive, help us minimize risk and share best industry practices in their respective areas.

CONTRACTOR SAFETY CONGRESS

SoCalGas' fourth annual Contractor Safety Congress at the Energy Resource Center drew more than 250 small and large contractors. The event featured presentations and discussions led by several of our prime contractors and focused on having the right tools for the job, increasing the safety of underground construction and sharing good catch/close call incidents. In addition, prime contractors responding to recent natural disasters in California shared the challenges and processes used to safely and successfully repair and restore natural gas services to affected communities.

SoCalGas Chief Human Resources and Administrative Officer, Gillian Wright and Vice President of Gas Transmission and Storage, Neil Navin, also attended and reiterated our message that safety is paramount to everything we do.







SUPPLIER DIVERSITY CHAMPIONS

Each year, supplier diversity champions play a key role in the success of our Supplier Diversity Program. They help identify diverse firms for potential contract opportunities, introduce these businesses to others at SoCalGas and support companywide activities to advance supplier diversity.

We are continuously improving our Supplier Diversity Champions program by defining roles and utilizing these individuals to increase diverse business participation. Thirty-seven champions representing various areas across SoCalGas were recognized for their supplier diversity contributions at our annual year celebration.

As noted by Assistant General Counsel, Kenneth Langan, "The Supplier Diversity Champions initiative is a great way for multiple SoCalGas departments to engage with the Supplier Diversity Program, so we can procure goods and services from a diverse and valued community of suppliers."

SUPPLIER PAYMENT PROGRAMS

We are sensitive to the cash flow and financial health of our suppliers and strongly believe they should be paid on time. We have a number of programs and practices to ensure our contractors/suppliers are paid promptly and payment disputes are resolved in a timely manner.

Our programs and best practices include:

- Supplier Quick Pay Program (SQPP) For smaller diverse firms with \$5 million or under in annual revenue and no more than 25 employees, we offer electronic payments with modified payment terms to net 15 zero discounts. There are 62 enrollees in the program.
- Accounts Payable Suppliers can contact an Accounts Payable representative directly via email to get questions answered on pending invoices.
- **SRM** Participants can work through the program to resolve such issues as payments, performance and contracts.
- Supplier Diversity Team When notified, advisors can resolve contract issues dealing with pay, performance, complaints and more.

- Late Payment Resolution Team In 2018, a team with representatives from Procurement, Supplier Diversity and Accounts Payable was formed to determine the root cause of late payments, mitigate them, and address disputes.
- Vendor Management System The system provides timely payments to our suppliers and offers assistance with compliance, time tracking, budgeting and detailed descriptions of work performed.
- Bank of America Visa Card This card offers prompt payment for smaller vendor purchases.
- Invoice Processing Education Representatives from our Accounts Payable department provide invoice processing education workshops to current and potential vendors to minimize late payments (we provided this training to four of our CBO partners in 2018).

PIPELINE SAFETY ENHANCEMENT PLAN

We exceeded our 35 percent diverse spend goal for our Pipeline Safety Enhancement Plan (PSEP), a testing and replacement program for natural gas pipelines throughout our transmission system, utilizing more than 215 diverse suppliers. Diverse firms performed inspection, mapping, surveying, engineering design and construction services, and we worked with Value Added Resellers to confirm we had the materials to complete our work.

Phase 1A, which covers higher priority pipelines, is underway; 184 out of 205 miles of pipeline have been remediated (90 percent complete).

ALISO CANYON TURBINE REPLACEMENT PROJECT

In 2018, the turbine replacement project at Aliso Canyon Natural Gas Storage Facility, which involved replacing three natural gas turbine-driven compressors with new electric motor driven models, was in the natural gas injection startup and performance testing phase for the newly installed turbines.

The compressors were promptly put to use when the approved field capacity was increased. Diverse suppliers provided project close-out activities, including completing electrical tie-in to the existing backup power system.

ETHNIC/COMMUNITY MEDIA

During the year, we communicated natural gas safety, company programs and other key messages with multicultural audiences, spending 22 percent of our paid media budget on ethnic print publications.

Our activities included advertisements in 11 different publications for Hispanic, Chinese, Vietnamese, Korean, Filipino and African American audiences; targeted email campaigns; social, digital and outdoor advertising; radio and TV partnerships and media talent to create awareness and advocacy through station-produced vignettes; and community affairs interviews.

COMMUNICATIONS AND AWARENESS

Supplier Diversity joined with Communications to create a taskforce aimed at promoting companywide supplier diversity and outreach events. Taskforce members published articles on the company's intranet site to offer greater exposure for supplier diversity activities. They also shared procurement practices, highlighted supplier success stories on the



company's website as well as other media outlets and promoted Supplier Diversity Champions and our Supplier Diversity Summit/Meet the Primes event.

In addition, we enhanced our Supplier Diversity website to help simplify the process of doing business with us and accessing our technical assistance programs and outreach events.

Our Employee Diversity Council – made up of seven Local Diversity Councils – also complemented our efforts to celebrate supplier and cultural diversity and inclusion to increase employee awareness and sensitivity.

MONITORING/AUDITING TOOLS

We employed several tools to help us evaluate our progress, adjust our approach and modify our strategy, if needed. These included:

- Dashboard which displays diverse direct procurement and subcontracting results on a monthly or year-to-date basis
- Subcontracting portal a tool used by prime suppliers to input and track their monthly subcontracting results
- Subcontracting audit which is performed by an independent firm to evaluate diverse subcontracting expenditures
- · Ad-hoc analysis and reporting to provide deeper analysis and understanding of spending trends

CONTRACTING SUCCESSES

A Supplier Diversity team member is included in all strategic sourcing and major Request for Proposals (RFP) to enhance our diverse purchasing activities, increase efficiencies and lower operating costs. We also hold networking events that allow diverse suppliers to meet prime suppliers.

Here are a few examples of our successes with diverse firms:

Environmental

Asbestos – Twenty potential bidders were identified and sent RFPs for asbestos, lead and paint abatement services with \$80 million awarded to six suppliers, five of which were diverse and three were new suppliers.



Natural (biological) resources – Two new diverse suppliers were awarded contracts totaling \$12 million to provide desert tortoise monitoring support for SoCalGas pipeline projects in the desert region.

Waste transportation and disposal and emergency response -Contracts totaling \$64 million were awarded to 13 prime contractors and approximately 50 percent spend was committed to diverse subcontractors.

Industrial hygiene consulting - Contracts valued at \$24 million were awarded to five contractors for third-party oversight and consulting services; approximately 59 percent spend was committed to diverse subcontractors.

- Facilities A new SoCalGas supplier was awarded a construction contract worth approximately \$20 million. As a result of the firm's performance, this supplier received additional contracts in other areas of SoCalGas.
- **Finance** We hired three diverse firms to issue \$400 million of 30-year first mortgage bonds. We also issued \$500 million of 30-year first mortgage bonds with three additional diverse firms.
- Cathodic protection A \$35 million Master Service Agreement (MSA) was awarded for Gas Distribution and the Distribution Integrity Management Program (DIMP) and an additional \$35 million MSA was awarded by Gas Transmission.
- Mobilehome Park Utility Upgrade SoCalGas awarded MSAs with four diverse businesses, with contract values totaling \$17 million. This program involves the conversion of natural gas master-metered service at mobile home parks and manufactured housing communities to direct service.

SUPPLIER DIVERSITY TEAM

SoCalGas' Supplier Diversity team leads our supplier diversity initiatives. In 2018, working closely with Supply Management and other departments and divisions, the team:

- Conducted presentations for business units and monitored department/division goals and performance
- Developed annual diverse supplier procurement business plans for SoCalGas senior management teams and reviewed and monitored results
- Participated in strategic sourcing initiatives for SoCalGas' major capital projects
- Organized supplier showcase forums to highlight potential diverse contractors
- Identified and developed qualified diverse suppliers and evaluated their contract readiness
- Worked with diverse firms to obtain certifications and arranged meetings with Procurement and internal clients



- Resolved issues with contract and performance requirements
- Promoted activities and opportunities at conferences, seminars and events
- Met with prime contractors and verified and monitored subcontracting plans
- Provided timely responses to inquiries via our vendor portal
- Engaged in processes that facilitate prompt payments

EXTERNAL ACTIVITIES

SUPPLIER DEVELOPMENT/TECHNICAL ASSISTANCE

Our technical assistance and supplier development programs are aimed at helping diverse firms grow and become more successful. We also partner with other organizations and invest in universities, business and community programs to increase the business acumen of diverse firms.

Our activities in 2018 included:

- Collaborating with the Asian Business Association Los Angeles (ABA-LA) to offer workshops on finance, business development and other topics
- Sponsoring one of our diverse suppliers to participate in Southern California Minority Supplier Development Council's (SCMSDC) CEO Academy, a nine-month executive leadership program designed to help minority business enterprises expand beyond core capabilities and prepare them to scale up their operations
- Sponsoring the National Latina Business Women Association's Emerging Latinas Leadership Program, a four-week class that covers such topics as leadership, negotiations and social media
- Awarding 10 scholarships to UCLA Management Development for Entrepreneurs, which helps business owners enhance their management skills, develop a business improvement plan and gain access to the greater UCLA Anderson School of Management alumni network
- Funding development programs for Women's Business Enterprise Council-West (WBEC-West) Platinum Supplier Program, ABA-LA Business Advocacy Small Business Workshop, Greater Los Angeles African American Chamber of Commerce (GLAAACC) Value Proposition Workshop and Veterans In Business Mentoring Business Protégé Program
- Our WBEC-West, GLAAACC and ABA-LA funding supported workshops to assist smaller diverse business owners with business plan writing, bookkeeping, capabilities statement development, social media, branding and business tax filing

DISABLED VETERAN BUSINESS ENTERPRISES

In 2018, we partnered with Veterans In Business (VIB) to provide mentoring assistance, workshops and networking for disabled veteran business enterprises (DVBEs) interested in a contract opportunity or identify viable ways to enter SoCalGas' procurement process. We also sponsored VIB's second annual networking conference, which attracted over 300 DVBEs





that are seeking training, technical assistance as well as connections to key decision makers who have an expressed desire to hire disabled veteran business contractors in the areas of construction, engineering and information technology support.

LESBIAN, GAY, BISEXUAL AND TRANSGENDER BUSINESS ENTERPRISES

We continued activities to meet and identify lesbian, gay, bisexual and transgender business enterprises (LGBTBEs). We attended the National Gay and Lesbian Chamber of Commerce's (NGLCC) International Business and Leadership Conference and participated in matchmaking sessions and the business expo. We were also on several panels and shared information about opportunities within SoCalGas. In addition, we forged stronger relationships with both the Desert and the Golden Gate business associations and, as a result, were able to introduce potential opportunities to approximately 50 LGBTBEs.

We again served on the board of the Los Angeles Gay and Lesbian Chamber of Commerce and helped to develop an Advisory Council specifically designed to assist in strengthening their infrastructure and membership base.

SUPPLIER RECOGNITION

We continued to shine a spotlight on outstanding diverse suppliers. We nominated three minority-owned firms for SCMSDC's Supplier of the Year Awards for their outstanding work with us. We're also proud that two other SoCalGas suppliers won the National Minority Supplier Development Council's Supplier of the Year Awards in their respective categories. Additionally, we highlighted our diverse suppliers on our website, Supplier Diversity Annual Report and at various forums and events.

EXTERNAL OUTREACH

Our outreach activities included collaborating with 31 organizations and attending more than 55 events to meet and identify diverse suppliers for potential business opportunities. We also participated in local, regional and national trade fairs and conferences and served on corporate advisory boards and committees.





ORGANIZATIONS SUPPORTED BY **SOCALGAS**

- American Indian Chamber of Commerce of California
- Asian Business Association Los Angeles*
- Asian Business Association Orange County*
- Asian/Pacific Islander Chamber of Commerce and Entrepreneurship
- Black Business Association Los Angeles
- California Black Chamber of Commerce
- California Hispanic Chamber of Commerce
- California Utilities Diversity Council
- Chinese American Construction Professionals
- Desert Business Association
- Disabled Veteran Business Alliance
- The Elite SDVOB Network National
- Golden Gate Business Association
- Greater Los Angeles African American Chamber of Commerce*
- Langston Bar Association
- Latin Business Association*
- Los Angeles Gay and Lesbian Chamber of Commerce*
- Los Angeles Latino Chamber of Commerce*
- National Association of Women Business Owners California



- National Association of Women Business Owners Los Angeles*
- National Gay & Lesbian Chamber of Commerce
- National Association of Minority Contractors Southern California*
- National Latina Business Women Association Inland Empire
- National Latina Business Women Association Los Angeles*
- National Minority Supplier Development Council
- National Utilities Diversity Council*
- Recycling Black Dollars
- Southern California Minority Supplier Development Council*
- Women's Business Enterprise Council West*
- Veterans In Business
- Young Black Contractors Association

*Board position held by SoCalGas representative

2018 AWARDS

SoCalGas was recognized for our best practices and leadership in supplier diversity. Awards included:

- American Indian Chamber of Commerce of California Turquoise Member Recognition
- Asian Business Association Orange County Eagle Award
- California Black Chamber of Commerce President's Corporate Appreciation
- Chinese American Construction Professionals –
 Appreciation of Support Award
- Elite SDVOB Network SDVOB Supporter Award
- Greater Los Angeles African American Chamber of Commerce – Corporate Small Business Advocate Award
- Latin Business Association Women of the Year Award
- National Asian American Coalition Support Award
- National Association of Women Business Owners –
 Los Angeles Public Corporation of the Year Award
- Southern California Minority Supplier Development Council – Legacy Award
- Veterans In Business Network Integrity Service Award
- Women's Business Enterprise Council Western Region – Community Impact Recognition









1. Vaughn Williams, SoCalGas Supplier Diversity Manager, accepts Asian Business Association – Orange County's Corporate Eagle Award **2.** Trisha Muse, director of Community Relations, accepts National Association of Women Business Owners – Los Angeles' Public Corporation of the Year Award on behalf of SoCalGas. **3.** Rodney Potts, Supplier Diversity Manager, accepts the Chinese American Construction Professionals' Appreciation of Support Award. **4.** SoCalGas honors employees and suppliers during the company's Diversity and Inclusion Summit. From left: Michelle Chieks, Yolanda Padilla, Joe Chow, Anne Muchiri, Lucy Labruzzo (Cordoba Corporation), Rodney Potts, Vaughn Williams and George Pla (Cordoba Corporation).

9.1.2 **SUMMARY OF PURCHASES/CONTRACTS**

SoCalGas had a total of 583 diverse suppliers with 370 serving as prime suppliers (see Chart Addendums A1-A5 starting on page 41.)

9.1.3 PROGRAM EXPENSES

Supplier diversity expenses included CPUC Supplier Clearinghouse program costs, technical assistance, capacity building events, office support services and other expenses.

Expense Category	2018 Expenses (in thousands)					
Wages	\$588					
Other Employee Expenses	-					
Program Expenses ¹	\$300					
Reporting Expenses ²	-					
Training Expenses	-					
Consultants ³	-					
Other	-					
Total	\$888					

¹Includes reporting and other employee expenses

9.1.4 GOAL PROGRESS

Category	SoCalGas 2018 Results	CPUC 2018 Goals
Minority Business Enterprise (MBE)	25.1%	15.0%
Women Business Enterprise (WBE)	13.7%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0%	TBD
Other 8(a)	0%	TBD
Disabled Veteran Business Enterprise (DVBE)	1.3%	1.5%
Total WMDVLGBTBE	40.1%	21.5%

In 2018, over 40 percent of our total procurement spend, or approximately \$673.4 million, was achieved through our diverse supplier relationships. Highlights included:

- For the 19th straight year, we exceeded the CPUC's 15 percent minority business enterprise (MBE) goal, with spend totaling nearly \$421 million.
- Our purchases with women business enterprises (WBEs) were surpassed for the 30th consecutive year, reaching \$230 million. This category represented nearly 14 percent of all procurement and services purchased by SoCalGas.
- We had 118 new diverse contractors, totaling more than \$22 million in new spend.
- We achieved \$22 million, or 1.34 percent, with DVBEs.

² Included in Program Expenses

³ Includes IT costs

2018 SoCalGas	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Disabled Veteran Business Enterprise (DVBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Other 8(a)	Total (WMDVLGBTBE)
Direct \$	271,105,084	55,979,782	\$327,084,866	\$177,052,724	\$504,137,590	\$5,755,626	\$63,216	-	\$509,956,432
Subcontracting \$	69,987,856	23,944,485	\$93,932,341	\$52,823,863	\$146,756,204	\$16,658,176	-	-	\$163,414,380
Total \$	\$341,092,940	79,924,267	\$421,017,207	\$229,876,588	\$650,893,795	\$22,413,802	\$63,216	\$ -	\$673,370,812
Direct %	16.15%	3.34%	19.49%	10.55%	30.04%	0.34%	0.00%	0.00%	30.38%
Subcontracting %	4.17%	1.43%	5.60%	3.15%	8.74%	0.99%	0.00%	0.00%	9.74%
Total %	20.32%	4.76%	25.09%	13.70%	38.78%	1.34%	0.00%	0.00%	40.12%

Percentages may not equal total due to rounding



WMDVLGBTBE Subcontracting 2014 to 2018 (\$) in millions

9.1.5 SUBCONTRACTORS

We work with prime suppliers to increase procurement opportunities with diverse subcontractors.

Several of our prime suppliers subcontract more than 10 percent with diverse businesses, for a total of more than \$163 million. To keep diverse subcontracting at the forefront, we:

- Request all primes, during the RFP process, to complete a Subcontracting Goal Form and include diverse subcontractors for each bid
- Develop and help diverse subcontractors by providing project opportunities, technical assistance, mentoring and coaching through our supplier diversity and SRM programs
- Provide subcontractors with the visibility and experience needed to compete and win major bids against other large non-diverse contractors

- Hold quarterly strategy meetings with our largest prime suppliers and monitor their subcontracting goals
- Identify subcontracting opportunities through meetings with Supply Management
- Share listings of diverse firms for prime suppliers' consideration for subcontracting activities and attend pre-bid meetings
- Meet with prime suppliers to provide training and access to our subcontracting portal
- Host an annual "Meet the Primes" event connecting subcontractors with all areas of our company operations
- Introduce prime suppliers to diverse firms
- Share monthly subcontracting results with Procurement and SoCalGas key stakeholders
- Work with non-verified diverse subcontractors to become CPUC. Clearinghouse-certified
- Invite diverse contractors to participate in business showcases so they can share their capabilities with prime suppliers and SoCalGas project managers





9.1.6 COMPLAINTS

There were no formal complaints or lawsuits filed against SoCalGas regarding our Supplier Diversity Program.

9.1.7 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

We've made progress over the years and increased opportunities with diverse suppliers in traditionally low-utilization categories, including legal and finance. Through active involvement by our attorneys and accounting staff, we participate in trade shows, industry conferences, workshops and other venues to strengthen our diverse spend in these areas.

INTEGRATED ARCHIVE SYSTEMS



Relationship continues to 'blossom and rebloom'

Supplier diversity may be part of the business landscape for California utilities – thanks to General Order 156 – but it's not fully embraced everywhere. Just ask Amy Rao.

"It's interesting that people think if you're a woman- or minority-owned business, so many doors open; it's not true," says Rao, founder and CEO of Integrated Archive Systems (IAS), a Palo Alto-based firm that provides IT solutions and services, including data storage and protection to virtualization, monitoring and networking. We're grateful that utilities have supplier diversity programs because it's hard to break in the door when you're a small business.

In 2008, the woman-owned business started working as a partner to Juniper Networks to redesign SoCalGas' wide area network. "Our relationship with SoCalGas continued to blossom and rebloom year after year," she says, adding the firm has since offered a

wide array of products and services, including networking and computing solutions, disaster recovery, storage and materials and equipment.

Having SoCalGas as one of our anchor customers instantly garners respect for us, she adds. It's a big name and a utility – utility companies are different. People understand they have different demands. They need a system to be available with redundancies. It's a marquee customer.

Rao says the firm's work with SoCalGas has helped to bolster its Juniper business and security and networking services. IAS now has 55 employees and several offices on the west coast. "SoCalGas has been a big part of helping us grow our business."

LEGAL

Considering the significant legal costs related to the 2015 Aliso Canyon natural gas leak, spending with diverse firms as a percentage of overall legal costs appears less robust than in previous years. However, we continue to increase opportunities for diverse firms.

The Law Department seeks and engages diverse firms to provide legal services in employment and labor law, general and business litigation, personal injury, commercial, environmental, real estate, workers' compensation and recovery claims. In addition, the department employed diverse resources for various support services, such as court reporting.

During the year, our acting general counsel and other in-house attorneys met with emerging diverse law firms for potential opportunities. Supplier Diversity also collaborated with the Law Department and three of our outside firms to host a legal workshop on pro bono opportunities for CBOs.

In addition, our attorneys served as speakers at national conferences, including the National Association of Minority and Women-Owned Law Firm (NAMWOLF) annual meeting in Chicago and had discussions with the lawyers' section of the National Gay and Lesbian Chamber of Commerce. Also, one of our attorneys judged a national moot court competition organized by University of California – Los Angeles Williams Institute, a group associated with gay and lesbian law students.

Several attorneys and Law Department staff held board memberships or executive positions with diverse bar associations and other non-profit organizations, including Asian Americans Advancing Justice, California Minority Counsel Project, Woman Lawyers of Los Angeles, LGBTQ Bar



LEGAL 2014 to 2018 (\$) in millions

Association, South Asian Bar Association, Foundation for Women Warriors, Japanese American Optimist Club, Nisei Week Foundation, Center Theatre Group, Philippine American Bar Association, Filipino-American Lawyers of Orange County, Thurgood Marshall Bar Association, Mexican American Legal Defense Fund, California Bar Foundation, a group focused on increasing diversity in the legal profession; and the Go For Broke National Education Center, an organization that educates and inspires character and equality through the virtue and valor of our World War II American veterans of Japanese ancestry.

In addition, Law Department employees volunteered to help permanent residents complete their applications for U.S. citizenship and our attorneys were also members of the Sempra Energy Employee Diversity Council.

The following charts illustrate the use of diverse lawyers and paralegals at majority firms retained by SoCalGas' law department.

Diverse Attor	ney Work Within Majority Law Firms	Total (\$)		
	Asian Pacific American	\$168,194		
	African American	\$598,729		
Minority	Hispanic American	\$776,772		
Men	Native American	\$0		
	Multi-Ethnic	\$1,342,967		
	Total Minority Men	\$2,886,662		
	Asian Pacific American	\$858,706		
	African American	\$321,044		
Minority	Hispanic American	\$233,135		
Women	Native American	\$0		
	Multi-Ethnic	\$336,442		
	Total Minority Women	\$1,749,327		
	Total Minority	\$4,635,989		
	Non-Minority Women	\$10,135,267		
	Non-Minority Men	\$17,497,111		
	Disabled Veteran	\$0		
Le	sbian, Gay, Bisexual and Transgender	\$0		
	Other 8(a)	\$0		
	Grand Total, All Minority/Non-Minority	\$32,268,367		

Note: Figures are estimated

Diverse Pa	aralegal Work Within Majority Law Firms	Total (\$)
	Asian Pacific American	\$1,576
	African American	\$1,188
Minority	Hispanic American	\$444,852
Men	Native American	\$0
	Multi-Ethnic	\$35,350
	Total Minority Men	\$482,966
	Asian Pacific American	\$8,027
	African American	\$29,218
Minority	Hispanic American	\$294,004
Women	Native American	\$0
	Multi-Ethnic	\$257,608
	Total Minority Women	\$588,857
	Total Minority	\$1,071,823
	Non-Minority Women	\$260,590
	Non-Minority Men	\$334,499
	Disabled Veteran	\$0
	Lesbian, Gay, Bisexual, and Transgender	\$0
	Other 8(a)	\$0
-	Grand Total, All Minority/Non-Minority	\$1,666,912

Note: Figures are estimate

FINANCIAL

We continued to identify opportunities for diverse firms across a wide variety of key financial services. Our activities involved seeking diverse suppliers in such areas as pension and trust investments, investment banking, insurance and bonding services, cash management and audit services.

We are proud that a Finance director joined our Supplier Diversity Champions program in 2018 and vowed to increase awareness to identify and retain diverse suppliers in the area of finance.

In 2018, Finance directors participated in a roundtable discussion with New Connections, a networking organization for financial firms, and renewed our

commitment to increase participation with diverse capital finance firms. This led to a 350 percent increase with diverse firms over the previous year and we expect this trend to continue.

We issued \$400 million of 30-year first mortgage bonds with three diverse (woman-, Hispanic American- and African American-owned) joint book-runner firms. We also issued \$500 million of 30-year first mortgage bonds with three additional firms (disabled veteran-, African American- and woman-owned firms).

Pension and Trust Investments

To execute trading activity for our pension fund, our investment managers have established working relationships with five approved brokerage firms. Our pension staff also identified diverse investment managers for potential investment opportunities.

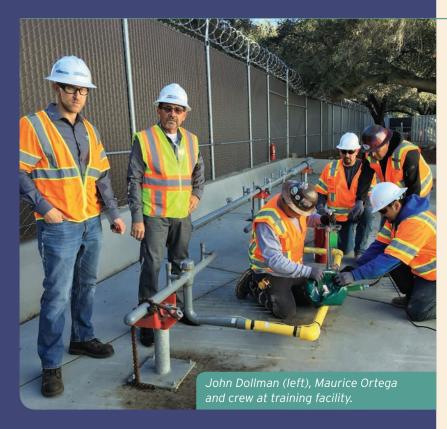
Outreach

SoCalGas executives, Finance directors and managers frequently met with diverse financial firms to discuss business opportunities. We also participated in meetings, outreach events and other forums to identify diverse firms for potential relationships in the financial area. Many of the suppliers have been presented to the executive leadership team, and some were included in bid opportunities. In addition, we meet with leadership on a monthly basis to identify viable opportunities for diverse suppliers.



FINANCE 2014 to 2018 (\$) in millions

A.M. ORTEGA CONSTRUCTION



An investment in the future

A.M. Ortega Construction has come a long way since it received an opportunity 20 years ago to become a development contractor for SoCalGas.

The San Diego-based, Hispanic-owned, underground utility contractor has installed natural gas pipelines of all sizes in both steel and plastic, performed concrete and asphalt paving, pipeline integrity and other services and more, and has become a core supplier for the utility.

"It didn't happen overnight," says company founder Maurice Ortega. "We had to prove ourselves every step of the way and had to be 110 percent better than others."

Ortega appreciates how SoCalGas conducts business, placing a higher priority on safety and quality. That led him to create a \$2.5 million facility to provide hands-on training for his employees.

Unveiled in 2018, the center teaches field personnel how to properly handle natural gas; expose a transmission line; trench, locate and fuse natural gas lines; and more. Ortega consulted with SoCalGas and incorporated ideas from its training facility.

"We did this for our employees to teach them a skill set and train them in safety," he says. "Very few contractors that get an opportunity to work with a utility truly understand how to install distribution and transmission lines safely."

With 40 percent of A.M. Ortega's 340-member workforce dedicated to SoCalGas projects, Ortega adds the training facility is an investment in the future and will be a big contributor to their goal of zero Occupational Safety and Health Administration (OSHA) recordables and other serious injuries. "SoCalGas and our other customers require us to be as safe as we can be and do quality work." stated Ortega.

2019 ANNUAL PLAN

10.1.1 GOALS

SoCalGas' supplier diversity corporate goal is to meet the requirements of the General Order 156. Our focus has been to maintain our 38 percent spend target with diverse firms, while concentrating on strengthening our relationships, targeting our outreach and expanding our diverse supplier base. In 2019, we will establish an internal goal for LGBTBE of .05%

In addition, SoCalGas will strive to exceed the following short-, mid-, and long-term goals:

PRODUCTS

	Short-Term (2019)				Mid-Term (2021)				Long-Term (2023)						
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled	WMDV LGBTBE
Products	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD
Subtotal	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

SERVICES

	Short-Term (2019)				Mid-Term (2021)				Long-Term (2023)						
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled	WMDV LGBTBE
Services	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD
Subtotal	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

Short-Term (2019) Mid-Term (2021)									Long-Tern	1 (2023)						
	TOTAL	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

Note: the 38 percent goal listed above is not the ceiling, as we always strive to do better.

10.1.2 PLANNED ACTIVITIES

We have several opportunities to engage with diverse suppliers on capital infrastructure and other projects. These include:

Compressor Station Projects

Our compressor station projects, which involve design and engineering, have a budget of \$60 million to \$80 million and our goal is to attain 40 percent or more in diverse spend.

Diverse suppliers in engineering, construction and other areas will be sought for work at three compressor stations. We are excited to have them showcase their capabilities and participate in this important work.

Pipeline Safety Enhancement Plan

PSEP's Phase 1A, which covers higher priority pipelines, is underway; 184 out of 205 miles of pipeline have been remediated (90 percent complete). Out of a total of 304 valves under PSEP, 165 have been retrofitted (54 percent complete). The next phase – addressing pipelines in less populated area – begins construction in 2019 and will continue through 2026.

We will build on our successes and work with business and community groups to identify potential opportunities for qualified diverse suppliers. We will continue to engage with diverse companies in construction, engineering and design, inspection and other support services. We also plan to seek additional opportunities with diverse suppliers in pipeline construction and pipeline auxiliary services. We will again participate in outreach events and actively promote and monitor our website portal for businesses interested in working with us on PSEP.

We remain committed to achieving 35 percent diverse spend over the life of this project while providing suppliers with mentoring and technical assistance.

Mobilehome Park Utility Upgrade

SoCalGas plans to spend more than \$20 million with six diverse prime suppliers on the Mobilehome Park Utility Upgrade program beginning in 2019 through 2021. This program involves the conversion of natural gas master-metered service at mobile home parks and manufactured housing communities to direct service.

The three-year program was originally scheduled to end on Dec. 31, 2017 but has been extended to the end of 2019. We expect additional opportunities for diverse suppliers in electrical, paving, concrete cutting, plumbing, trenching, trucking, traffic control and material supplies.





ENERGY EXPERTS INTERNATIONAL



A natural working relationship fuels growth

When Mike Watanabe and Don Murray founded Energy Experts International (EEI) in 1998, they had a combined 50-plus years of experience in the natural gas and electric utility industry. So, it was only natural that the Redwood City-based, management consulting firm specializing in the natural gas, petroleum and electric power industries would pursue SoCalGas as a client.

"We have a lot of folks who worked at SoCalGas and we couldn't see why we wouldn't be providing services to them," says Watanabe. "We were on their radar, but they didn't know what we could do."

In 2007, an opportunity came up and EEI provided technical and engineering consulting on a variety of SoCalGas projects, such as the Pipeline Integrity Management Program and support for critical pipeline infrastructures/assessments.

Additional contracts followed, including training assistance and inspection services. In 2016, the Asian Americanand African American-owned company with 340 employees and 10 offices

was awarded a multiyear, systemwide inspection contract that covers SoCalGas' distribution, transmission and storage facilities.

The work contributed to the expansion of EEI's operations office in San Bernardino and the hiring of additional employees. Today, the company has 35 staff members working on SoCalGas projects.

"SoCalGas has high expectations -once we got in, we had to keep proving
ourselves," according to Watanabe.
"They're very organized and run a
tight ship. We have been proud to
support SoCalGas and appreciate the
relationship we have developed over
the years."

INTERNAL ACTIVITIES

We will continue to collaborate with employees throughout the company to build on our foundation of supplier diversity excellence. Key areas of focus include:

- Expanding Supplier Diversity Champions to meet on a quarterly basis
- Surveying our suppliers to evaluate the effectiveness of our technical assistance programs
- Launching an economic impact study to gauge the impact our Supplier Diversity Program has on the communities we serve
- Developing an engineering development program for niche suppliers
- Incorporating LGBTBE-owned firms into our corporate diversity and inclusion strategy



- Expanding and strengthening relationships with our internal organizations
- Promoting and increasing supplier diversity participation in our strategic planning efforts
- Expanding purchases with current SCORE contractors, providing opportunities for new smaller contractors and continuing our mentoring efforts with diverse firms
- Enhancing a companywide communication awareness initiative to promote supplier diversity through online communication, internal dialogue sessions and our Supplier Diversity Champions program
- Holding quarterly feedback sessions with our prime suppliers
- Continuing to focus technical assistance programs on our current diverse suppliers
- Promoting the growth of suppliers to other agencies and industries

EXTERNAL ACTIVITIES

We will continue to work with diverse suppliers, the CPUC, peer utilities, community organizations and others to expand our supplier diversity scope and promote the use of diverse suppliers through industry affiliations and other relationships. We will enhance our reach to diverse firms by:

- Identifying SCORE opportunities for small diverse suppliers
- Informing suppliers of the inclusion of LGBTBEs in General Order 156 and SoCalGas' efforts to recruit certified LGBTBEs into our supply chain through networking events and individual meetings
- Exploring other potential relationships in which high-capacity diverse firms can be recruited and developed in new and emerging areas
- Strategically targeting and developing diverse suppliers in areas of low utilization, such as legal and financial services
- Maintaining a strong presence at local and national LGBT chambers
- Reaching out to certified and non-certified LGBTBEs and introducing them to our supply chain and Supply Management

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN LOW UTILIZATION AREAS

To increase procurement opportunities in low utilization areas, we plan to:

- Target high-potential diverse firms for opportunities
- Pursue low utilization areas to increase diverse spend
- Foster strategic relationships with diverse firms positioned to secure contracts in areas such as legal and financial services
- Invite company procurement agents and key decision makers to attend networking events and workshops with potential diverse contractors and subcontractors
- Participate in planning and pre-bid meetings to promote diverse supplier participation
- Attend industry-related conferences to meet potential suppliers in underutilized areas
- Contact diverse suppliers who are not currently certified and encouraging them to seek certification

LEGAL

We plan to continue to identify and expand new opportunities for diverse law firms by participating in conferences and workshops and remaining involved with bar associations and legal organizations that promote diversity. Additionally, the Law Department will take on a more active role in Supplier Diversity Champions to increase the number of diverse law firms. Please refer to the legal section on page 25.

FINANCE

Increasing opportunities for diverse suppliers in the finance area will remain a high priority at SoCalGas. We will continue to identify qualified diverse financial firms through our outreach activities, including participating in CPUC/Utility Chief Financial Officer forums and holding internal meetings with high-capacity diverse firms.

Our plans for 2019 include investing in minority area-focused community finance development institutions, identifying and utilizing high-potential

diverse firms to manage pension and specialty funds, engaging qualified diverse auditing firms for employee benefit and other specialty audits and searching for specific subcontracting opportunities with majority-owned banking and financing institutions.

10.1.4 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

10.1.5 SUBCONTRACTING PLANS

We plan to enhance diverse subcontracting opportunities by:

 Developing a prime supplier subcontracting "watch list" to assist prime suppliers with their subcontracting goals. This list will bring awareness to Supply Management and prime contractors that are not meeting their subcontracting goals



HAL HAYS CONSTRUCTION



Hard work pays off with four contracts in one year After years of making pitches and trying to get business with SoCalGas, Hal Hays Construction finally succeeded with not one, but four large contracts in 2018.

The Riverside-based, general and civil construction firm was awarded its first contract to build the utility's new base in Bakersfield. This was followed by contracts to replace concrete at the Blythe compressor station, make infrastructure improvements through the Mobilehome Park Utility Upgrade program and build a compressed natural gas (CNG) refueling station in Bakersfield.

"The construction manager in Bakersfield introduced us to a manager in transmission, which helped expand our network," says Hal Hays Construction CEO Kirby Hays, whose father founded the company in 1991. "Other areas within SoCalGas also opened up since we forged a relationship with Supplier

Diversity. We've met a lot of people and relationships blossomed rather quickly," he adds, noting the work resulted in about a dozen new hires.

While the Native American-owned firm with 200-plus employees was wellestablished before SoCalGas' contracts, Hays says the Supplier Diversity team was helpful in sharing the utility's environmental and safety priorities and keeping them updated on the competitive bid process.

"To say everyone at SoCalGas has been wonderful is an understatement." adds Hays. "They really take a vested interest in our well-being and long-term success. It took five or six years, but we knew once we got in the door, it would be a great match."

- Conducting meetings with top prime suppliers to increase their subcontracting performance
- Creating targeted showcases that introduce prime firms to diverse suppliers for future business opportunities
- Utilizing an internal reporting tool to identify subcontracting opportunities and challenges
- Making sure that RFPs and final contracts contain diverse vendor subcontracting plans
- Monitoring subcontracting efforts and performance
- Participating in planning and pre-bid meetings to promote diverse supplier participation
- Providing monthly subcontracting results to Procurement staff and division leaders

- Introducing potential subcontractors to larger prime suppliers for strategic sourcing initiatives
- Developing, implementing and monitoring diverse business sourcing plans for major capital projects
- Collaborating with Procurement to create a contractor's checklist and manage diverse vendor subcontracting plans
- Inviting prime contractors to attend networking workshops with potential diverse subcontractors as well as company procurement agents and key decision makers
- Contacting diverse subcontractors who are not currently certified and encouraging them to seek certification

10.1.6 PROGRAM COMPLIANCE

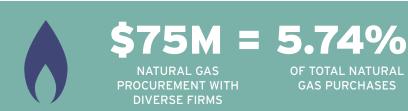
SoCalGas will continue efforts to meet or exceed all requirements established by General Order 156.



2018 ANNUAL REPORT | 2019 ANNUAL PLAN FUEL PROCUREMENT FOR NON-GENERATION



2018 ANNUAL REPORT FUEL PROCUREMENT FOR NON-GENERATION



9.1.1 PROGRAM ACTIVITIES

INTERNAL ACTIVITIES

We continued to keep supplier diversity top-of-mind through monthly status meetings with SoCalGas executives and managers. Through these meetings, we encouraged Gas Acquisition managers to identify and engage qualified diverse firms in purchasing transactions. Additionally, we have been actively involved with Supplier Diversity Champions and met with the Gas Acquisition team on a consistent basis to confirm they are abreast of any changing trends in gas procurement.

Gas Acquisition also collaborated with Supplier Diversity to coordinate and develop relationships with energy buyers and diverse suppliers.

EXTERNAL ACTIVITIES

We participated in activities to increase supplier diversity in the energy market as part of our ongoing efforts to develop and promote a national utility supplier diversity program supported by the National Association of Regulatory Utility Commissioners (NARUC).

9.1.2 SUMMARY OF PURCHASES/CONTRACTS

SoCalGas experienced an increase in purchases with federally recognized tribes (sovereign nations) and Native American-owned natural gas suppliers due to an increase in their natural gas production through acquisitions.

Fuels for Non-Generation Purchases		
	Dollars	Volume (Billion BTUs)
Canadian Source Natural Gas	\$23,537,854	18,554,622
Domestic On-Shore Natural Gas Purchases from Non-Diverse Suppliers	\$1,214,419,581	383,393,022
Domestic On-Shore Natural Gas Purchases from Diverse Suppliers	\$75,395,377	31,408,022
Natural Gas Purchases/Payments - Other Utilities	\$0	0
Total Natural Gas Purchased	\$1,313,352,812	433,355,666



9.1.3 PROGRAM EXPENSES

Program expenses are included in Section 9.1.3 Program Expenses on page 21 in the 2018 Product and Services Procurement Results.

9.1.4 GOAL PROGRESS

SoCalGas purchased 5.74 percent of our natural gas supplies from diverse firms, totaling \$75.4 million. Below is a breakdown of our natural gas purchases:

Nature Gas Suppliers by Ethnicity		
Federally recognized tribes (sovereign nations) and Native American-owned	\$16,666,117	1.3%
African American-owned	\$24,873,930	1.9%
Hispanic American-owned	-	0.0%
Asian Pacific American-owned	\$12,902,931	1.0%
Women-owned	\$5,227,729	0.4%
Disabled Veteran-owned	\$15,724,671	1.2%

9.1.5 SUBCONTRACTORS

There were no subcontractor opportunities available.

9.1.6 COMPLAINTS

There were no formal diverse supplier complaints or lawsuits filed in 2018 against SoCalGas.

9.1.7 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

9.1.8 EFFORTS TO RECRUIT DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

Despite our outreach efforts, increasing the participation of diverse natural gas suppliers remains challenging. This is difficult due to credit conditions affecting diverse firms in the wholesale energy and natural gas markets, major suppliers continue to be sporadic in their supply to the West Coast markets and tightened credit and supply for diverse firms.

During the year, we continued outreach and supplier development activities in the natural gas market and encouraged diverse suppliers to develop relationships with domestic onshore and Canadian producers.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SoCalGas will continue to comply with all required document retention regulations.

ZUBER LAWLER & DEL DUCA



Shared values support ongoing work

Tom Zuber never gave much thought to diversity when he and his brother, Jeff, started their law firm in 2003. It was simply a given to assemble a team of talented, diverse attorneys with diverse perspectives.

"We want to be diverse in every way because it makes us better service providers and decision makers," says Tom Zuber, managing partner of Zuber Lawler & Del Duca, a Los Angelesbased, Asian American-owned law firm specializing in corporate, finance, intellectual property, mergers and acquisitions, litigation and regulatory matters.

When Zuber met with SoCalGas' Law Department staff in 2012 to pitch his firm's services, he was pleased to learn they were committed to supplier diversity and inclusion. After the meeting, Zuber Lawler & Del Duca was introduced to other groups and hired at first to handle procurement transactions for SoCalGas.

The firm has since taken on a range of larger matters, from deals to intellectual property to litigation, and now has about 20 attorneys that assist with legal matters for Sempra Energy's family of companies.

"Having SoCalGas as a client gave us a level of credibility in the utility space," says Zuber, adding the firm has been a member of Sempra Energy's Community of Counsel, which is comprised of about 20 law firms that perform ongoing work for the parent company and its subsidiaries.

"We're grateful and delighted to be part of the SoCalGas family," he adds.

9.1.10A PARTICIPATION RESULTS BY FUEL **CATEGORY**

Please refer to Chart Addendum A6 on page 48 for participation results by fuel category.

9.1.10B MARKET CONDITIONS AND OUTREACH

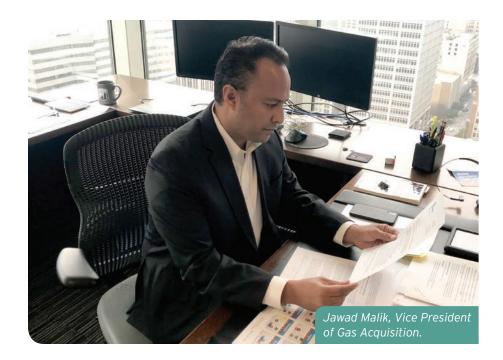
We reached out to emerging, diverse natural gas suppliers at industry conferences, worked with organizations to identify and develop diverse suppliers and participated in energy industry fairs to promote diverse supplier opportunities.

However, diverse firms continued to face challenges in the natural gas market. These included weak volatility and low natural gas prices due to additional sources of shale natural gas; increased risk exposure and stringent credit policies; and warm weather conditions in the region that resulted in a decrease in the purchase and consumption of natural gas.

From 2015 to 2017, the few banks offering the Funds Transfer Agent Agreement (FTAA) started pulling out, leaving only one bank in the nation to offer a financial tool for women, minority, disabled veteran and LBGT firms to purchase natural gas from producers. During this time, many diverse marketers discontinued procuring natural gas because there was not a credit mechanism available to allow them to obtain the required credit for purchasing natural gas.

Through the efforts of Supplier Diversity and Gas Procurement, SoCalGas worked with Union Bank to re-establish the FTAA program in late 2018. Since then, we have begun to see an increase in suppliers and an upswing in purchases from diverse firms.

During the year, we also continued to encourage major energy producers and marketers to work with diverse suppliers utilizing FTAA to assist with credit issues. An additional challenge will be finding more wholesale oil and natural gas producers to do business with diverse natural gas suppliers, but we remain hopeful that regulatory bodies, such as NARUC, will help sustain diverse supplier prospects.





2019 ANNUAL PLANFUEL PROCUREMENT FOR NON-GENERATION

10.1.1 GOALS

SoCalGas will continue to work toward meeting short-, mid- and long-term goals of 21.5 percent, which also supports the CPUC goal.

10.1.2 PLANNED ACTIVITIES

INTERNAL ACTIVITIES

We plan to provide mentoring and other assistance to high-potential emerging suppliers to increase our diverse natural gas supplier base. Gas Acquisition staff, managers and senior management will also continue to partner with buyers and diverse firms to monitor goals and progress.

EXTERNAL ACTIVITIES

We plan to increase participation of diverse natural gas suppliers by:

- Providing diverse firms support to access financing and credit institutions
- Working with key organizations to identify and develop diverse suppliers
- Participating in energy industry fairs to promote diverse supplier opportunities
- Reaching out to emerging diverse natural gas firms through industry and business associations
- Offering mentoring, business development and educational opportunities
- Encouraging major energy companies' participation in trading with diverse businesses
- Serving in a leadership role on the National Utilities Diversity Council

10.1.3 RECRUITMENT PLANS FOR LOW WMDVLGBTBE UTILIZATION

SoCalGas plans to participate in trade fairs to recruit and engage diverse suppliers in all markets and encourage them to take part in natural gas

procurement programs. We will continue to consider competitive offers from natural gas companies originating in all markets, including Canadian and offshore markets.

10.1.4 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

10.1.5 SUBCONTRACTING PLANS

There are no subcontractor opportunities currently available.

10.1.6 PROGRAM COMPLIANCE

SoCalGas will continue outreach activities to diverse firms and strive to either meet or exceed all requirements established in General Order 156.



A1 9.1.2 SoCalGas WMDVLGBTBE Annual Results by Ethnicity - 2018

		Direct	Sub	Total \$	%
	African American	17,794,069	9,806,070	27,600,138	1.64%
	Asian Pacific American	38,574,177	8,371,660	46,945,838	2.80%
Minority Male	Hispanic American	186,969,737	49,564,011	236,533,748	14.09%
millority male	Native American	27,767,101	2,246,115	30,013,217	1.79%
	Other	-	-	-	-
	Total Minority Male	\$271,105,084	\$69,987,856	\$341,092,940	20.32%
	African American	11,973,173	1,365,525	13,338,698	0.79%
	Asian Pacific American	11,202,719	2,062,021	13,264,741	0.79%
Minority Female	Hispanic American	30,889,620	20,516,939	51,406,559	3.06%
Millority reliidle	Native American	1,914,270	-	1,914,270	0.11%
	Other	-	-	-	-
	Total Minority Female	\$55,979,782	\$23,944,485	\$79,924,267	4.76%
Total Minority Business	Enterprise (MBE)	\$327,084,866	\$93,932,341	\$421,017,207	25.09%
Women Business Enterp	orise (WBE)	\$177,052,724	\$52,823,863	\$229,876,588	13.70%
Lesbian, Gay, Bisexual,	Transgender Business Enterprise (LGBTBE)	\$63,216	-	\$63,216	0.00%
Disabled Veteran Busine	ess Enterprise (DVBE)	\$5,755,626	\$16,658,176	\$22,413,802	1.34%
Other 8(a)*		-	-	-	0.00%
TOTAL WMDVLGBTBE		\$509,956,432	\$163,414,380	\$673,370,813	40.12%
Net Procurement**		\$1,678,322,093			

Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE ** Net procurement includes purchase order, non-purchase order and credit card dollars

Direct - direct procurement Sub - subcontractor procurement % - percentage of net procurement

A2 9.1.2 SoCalGas WMDVLGBTBE Procurement by Product and Service Categories - Direct - 2018

			Produ	ct	Service	es	Total	
			\$	%	\$	%	\$	%
	African American	Direct	12,921,873	4.80%	4,872,195	0.35%	17,794,069	1.06%
	Asian Pacific American	Direct	6,940,757	2.58%	31,633,420	2.24%	38,574,177	2.30%
M	Hispanic American	Direct	15,455,826	5.74%	171,513,911	12.17%	186,969,737	11.14%
Minority Male	Native American	Direct	1,544,232	0.57%	26,222,869	1.86%	27,767,101	1.65%
	Other	Direct	-	-	-	-	-	-
	Total Minority Male	Direct	\$36,862,689	13.70%	\$234,242,396	16.62%	\$271,105,084	16.15%
	African American	Direct	88,315	0.03%	11,884,857	0.84%	11,973,173	0.71%
	Asian Pacific American	Direct	4,196,751	1.56%	7,005,969	0.50%	11,202,719	0.67%
Minority	Hispanic American	Direct	17,433,988	6.48%	13,455,632	0.95%	30,889,620	1.84%
Female	Native American	Direct	1,792,109	0.67%	122,162	0.01%	1,914,270	0.11%
	Other	Direct	-	-	-	-	-	-
	Total Minority Female	Direct	\$23,511,163	8.74%	\$32,468,619	2.30%	\$55,979,782	3.34%
otal Minority B	dusiness Enterprise (MBE)	Direct	\$60,373,851	22.43%	266,711,015	18.93%	327,084,866	19.49%
Nomen Busines	s Enterprise (WBE)	Direct	\$47,057,120	17.49%	129,995,604	9.22%	177,052,724	10.55%
esbian, Gay, Bi	sexual, Transgender Business Enterprise (LGBTBE)	Direct	\$12	0.00%	\$63,203	0.00%	\$63,216	0.00%
Disabled Vetera	n Business Enterprise (DVBE)	Direct	-	0.00%	5,755,626	0.41%	5,755,626	0.34%
Other 8(a)*		Direct	-	0.00%	-	0.00%	-	0.00%
TOTAL WMDVLG	ВТВЕ	Direct	\$107,430,983	39.92%	\$402,525,448	28.56%	\$509,956,432	30.38%
Total Product P	rocurement \$		\$269,107,100	NOTE: * Firms classified a	ıs 8(a) of Small Business Adr	ninistration includes	s non-WMDVLGBTBE	
Total Service Pr	ocurement \$		\$1,409,214,993	** Net procuremen Direct - direct proc	t includes purchase order, n	on-purchase order	and credit card dollars	

\$1,678,322,093

325

Net Procurement**

Total Number of WMDVLGBTBEs that Received Direct Spend

Direct - direct procurement
Sub - subcontractor procurement
% - percentage of net procurement

A3 9.1.2 SoCalGas WMDVLGBTBE Procurement by Product and Service Categories - Subcontracting - 2018

			Produc	t	Servic	es	Total	I
			\$	%	\$	%	\$	%
	African American	Sub	505,291	0.19%	9,300,778	0.66%	9,806,070	0.58%
	Asian Pacific American	Sub	1,370,973	0.51%	7,000,688	0.50%	8,371,660	0.50%
Minority Mala	Hispanic American	Sub	3,610,750	1.34%	45,953,260	3.26%	49,564,011	2.95%
Minority Male	Native American	Sub	35,883	0.01%	2,210,232	0.16%	2,246,115	0.13%
	Other	Sub	-	-	-	-	-	-
	Total Minority Male	Sub	\$5,522,897	2.05%	\$64,464,959	4.57%	\$69,987,856	4.17%
	African American	Sub	-	0.00%	1,365,525	0.10%	1,365,525	0.08%
	Asian Pacific American	Sub	372,362	0.14%	1,689,659	0.12%	2,062,021	0.12%
Minority Fomalo	Hispanic American	Sub	2,541,439	0.94%	17,975,500	1.28%	20,516,939	1.22%
Minority Female	Native American	Sub	-	0.00%	-	0.00%	-	0.00%
	Other	Sub	-	-	-	-	-	-
	Total Minority Female	Sub	\$2,913,801	1.08%	\$21,030,684	1.49%	\$23,944,485	1.43%
Total Minority B	usiness Enterprise (MBE)	Sub	\$8,436,698	3.14%	\$85,495,643	6.07%	\$93,932,341	5.60%
Women Business	s Enterprise (WBE)	Sub	\$7,764,007	2.89%	\$45,059,856	3.20%	\$52,823,863	3.15%
Lesbian, Gay, Bi	sexual, Transgender Business Enterprise (LGBTBE)	Sub	-	0.00%	-	0.00%	-	0.00%
Disabled Vetera	n Business Enterprise (DVBE)	Sub	\$738,129	0.27%	\$15,920,047	1.13%	\$16,658,176	0.99%
Other 8(a)*		Sub	-	0.00%	-	0.00%	-	0.00%
TOTAL WMDVLGI	ЗТВЕ	Sub	\$16,938,834	6.29%	\$146,475,546	10.39%	\$163,414,380	9.74%
Total Product Pi	rocurement \$		\$269,107,100	NOTE: * Firms classified a	us 8(a) of Small Business Ad	ministration include	es non-WMDVLGBTBE	
Total Service Pr	ocurement \$		\$1,409,214,993	** Net procuremen Direct - direct proc	t includes purchase order, r urement	non-purchase order a	and credit card dollars	
Net Procuremer	t**		\$1,678,322,093	Sub - subcontracto % - percentage of				

A4 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Products - 2018

		ican rican		Pacific erican	Hisp Ame	anic rican	Native A	merican	Minority	Women Minority	Lesbian, Gay, Bisexual,	Disabled Veteran	044		
SIC Category	Male	Female	Male	Female	Male	Female	Male	Female	Business Enterprise (MBE)	Business Enterprise (WMBE)	Transgender Business Enterprise (LGBTBE)	Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total
23 - Apparel & Oth Finished Prods Made From Fabric	0.00%	0.00%	185,886 34.25%	3,888 0.72%	0.00%	- 0.00%	0.00%	- 0.00%	189,774 34.96%	51,542 9.50%	- 0.00%	- 0.00%	- 0.00%	241,315 44.46%	542,765
26 - Paper & Allied Prods	0.00%	0.00%	0.00%	0.00%	831,567 96.72%	0.00%	0.00%	0.00%	831,567 96.72%	0.00%	0.00%	3,737 0.43%	0.00%	835,305 97.15%	859,766
28 - Chemicals & Allied Prods	0.00%	0.00%	0.00%	0.00%	32,725 0.67%	36,036 0.74%	0.00%	0.00%	68,761 1.40%	0.00%	0.00%	0.00%	0.00%	68,761 1.40%	4,896,827
29 - Petroleum Refining & Related Industries	0.00%	0.00%	0.00%	0.00%	0.00%	207,563 7.42%	0.00%	0.00%	207,563 7.42%	931,901 33.31%	0.00%	- 0.00%	0.00%	1,139,463 40.73%	2,797,737
30 - Rubber & Misc Plastics Prods	0.00%	0.00%	1,622 0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	1,622 0.08%	0.00%	0.00%	0.00%	0.00%	1,622 0.08%	2,101,448
32 - Stone, Clay, Glass & Concrete Prods	0.00%	0.00%	0.00%	0.00%	22 0.00%	- 0.00%	0.00%	- 0.00%	22	0.00%	0.00%	- 0.00%	- 0.00%	22	889,425
33 - Primary Metal Industries	- 0.00%	0.00%	6,820,778	0.00%	79,780 0.27%	- 0.00%	0.00%	- 0.00%	6,900,558 23.18%	0.00%	- 0.00%	- 0.00%	0.00%	6,900,558 23.18%	29,770,741
84 - Fabricated Metal Prods, Exc Machinery	- 0.00%	0.00%	0.00%	- 0.00%	2,713,820	- 0.00%	3,802 0.03%	- 0.00%	2,717,622	541,650 4.43%	- 0.00%	- 0.00%	- 0.00%	3,259,272 26.67%	12,219,084
5 - Industrial & Commercial Machinery & Computer Equip	11,718,288	- 0.00%	0.00%	- 0.00%	- 0.00%	388	11,949	- 0.00%	11,730,626	1,007,133	- 0.00%	- 0.00%	- 0.00%	12,737,759 37.08%	34,352,832
36 - Electronic & Oth Elec Equip & Components	0.00%	0.00%	0.00%	- 0.00%	25,114 0.18%	- 0.00%	0.00%	- 0.00%	25,114 0.18%	2,428 0.02%	- 0.00%	- 0.00%	- 0.00%	27,542 0.20%	13,866,958
37 - Transportation Equip	0.00%	0.00%	0.00%	0.00%	11,917,355 95.45%	0.00%	0.00%	0.00%	11,917,355 95.45%	133	- 0.00%	- 0.00%	0.00%	11,917,488 95.45%	12,486,019
38 - Measuring, Analyzing & Controlling Instruments	0.00%	0.00%	0.00%	54,568 0.46%	132,490 1.11%	0.00%	0.00%	0.00%	187,058 1.56%	3,726,642 31.09%	0.00%	0.00%	0.00%	3,913,700 32.65%	11,985,513

A4 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Products (CONTINUED)

	Afri Amei			Pacific rican		anic rican		tive erican	Minority Business	Women Minority	Lesbian, Gay, Bisexual, Transgender	Disabled Veteran	Other	Total	
SIC Category	Male	Female	Male	Female	Male	Female	Male	Female	Enterprise (MBE)	Business Enterprise (WMBE)	Business Enterprise (LGBTBE)	Business Enterprise (DVBE)	8(a)**	WMDVLGBTBE	Total
39 - Misc Manufacturing Industries	-	-	84,282	-	-	-	-	-	84,282	11,914	-	-	-	96,196	2,877,341
59 - MISC Manufacturing industries	0.00%	0.00%	2.93%	0.00%	0.00%	0.00%	0.00%	0.00%	2.93%	0.41%	0.00%	0.00%	0.00%	3.34%	2,011,341
50 - Wholesale Trade; Durable	1,203,598	80,216	1,219,162	4,427,407	877,328	19,143,752	1,561,635	1,792,109	30,305,207	12,931,109	12	689,286	-	43,925,613	80,865,284
Goods	1.49%	0.10%	1.51%	5.48%	1.08%	23.67%	1.93%	2.22%	37.48%	15.99%	0.00%	0.85%	0.00%	54.32%	00,003,204
51 - Wholesale Trade;	505,278	8,099	-	83,250	1,800,985	-	-	-	2,397,612	34,355,248	-	45,106	-	36,797,966	E0 101 0E2
Nondurable Goods	1.01%	0.02%	0.00%	0.17%	3.59%	0.00%	0.00%	0.00%	4.78%	68.45%	0.00%	0.09%	0.00%	73.32%	50,191,053
52 - Bldg Matls, Hardware,	-	-	-	-	8,107	-	-	-	8,107	21,364	-	-	-	29,471	4.047.047
Garden Supply	0.00%	0.00%	0.00%	0.00%	0.45%	0.00%	0.00%	0.00%	0.45%	1.18%	0.00%	0.00%	0.00%	1.62%	1,816,247
55 - Automotive DIrs & Gasoline	-	-	-	-	380,480	-	2,729	-	383,209	772,925	-	-	-	1,156,134	2.004100
Service Stations	0.00%	0.00%	0.00%	0.00%	11.55%	0.00%	0.08%	0.00%	11.63%	23.46%	0.00%	0.00%	0.00%	35.10%	3,294,189
57 - Home Furniture,	-	-	-	-	-	-	-	-	-	41,497	-	-	-	41,497	314,151
Furnishings & Equip Stores	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.21%	0.00%	0.00%	0.00%	13.21%	314,131
50 5 11 0 D 1 11 D1	-	-	-	-	4,434	-	-	-	4,434	425,643	-	-	-	430,077	4 00 4 000
58 - Eating & Drinking Places	0.00%	0.00%	0.00%	0.00%	0.33%	0.00%	0.00%	0.00%	0.33%	32.14%	0.00%	0.00%	0.00%	32.48%	1,324,228
FO. N D. L. 1	-	-	-	-	262,369	587,687	-	-	850,056	-	-	-	-	850,056	1755 400
59 - Misc Retail	0.00%	0.00%	0.00%	0.00%	15.85%	35.50%	0.00%	0.00%	51.35%	0.00%	0.00%	0.00%	0.00%	51.35%	1,655,493
Tabel Duaduah Duagunaman	13,427,164	88,315	8,311,729	4,569,113	19,066,576	19,975,427	1,580,115	1,792,109	68,810,549	54,821,128	12	738,129	-	124,369,818	2/0 107 100
Total Product Procurement	4.99%	0.03%	3.09%	1.70%	7.09%	7.42%	0.59%	0.67%	25.57%	20.37%	0.00%	0.27%	0.00%	46.22%	269,107,100

Total Product Procurement \$	\$269,107,100
Total Service Procurement \$	\$1,409,214,993
Net Procurement**	\$1.678.322.093

NOTE:

* Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE

** Net procurement includes purchase order, non-purchase order and credit card dollars

Direct - direct procurement

Sub - subcontractor procurement

% - percentage of net procurement

A5 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Services

		ican rican		Pacific erican	Hispanic	American		tive erican	Minority Business	Women Minority	Lesbian, Gay, Bisexual, Transgender	Disabled Veteran	Other	Total	
SIC Category	Male	Female	Male	Female	Male	Female	Male	Female	Enterprise (MBE)	Business Enterprise (WMBE)	Business Enterprise (LGBTBE)	Business Enterprise (DVBE)	8(a)**	WMDVLGBTBE	Total
07 - Agricultural Svcs	- 0.00%	0.00%	0.00%	0.00%	437,521 29.86%	- 0.00%	- 0.00%	- 0.00%	437,521 29.86%	219,259 14.96%	- 0.00%	1,375 0.09%	0.00%	658,156 44.92%	1,465,311
13 - Oil & Gas Extraction	0.00%	0.00%	0.00%	3,196,795 3.10%	0.00%	0.00%	7,769,443 7.53%	0.00%	10,966,238 10.62%	283,003 0.27%	0.00%	0.00%	0.00%	11,249,241 10.90%	103,225,680
15 - Bldg Const-General Contractors	8,080 0.01%	0.00%	0.00%	0.00%	15,803,368 25.69%	0.00%	8,390,389 13.64%	0.00%	24,201,837 39.34%	17,822,611 28.97%	0.00%	13,951,975 22.68%	0.00%	55,976,422 90.99%	61,521,961
16 - Heavy Const Oth Than Bldg Construction	397,766 0.09%	0.00%	0.00%	0.00%	104,051,070 23.41%	2,078,240 0.47%	0.00%	0.00%	106,527,076 23.97%	43,241,094 9.73%	0.00%	1,220,623 0.27%	0.00%	150,988,793 33.97%	444,418,799
17 - Const-Special Trade Contractors	7,693,731	- 0.00%	9,914,660 4.30%	60,078	28,591,865	9,882,337 4.28%	6,074,637	- 0.00%	62,217,308	37,985,700 16.47%	- 0.00%	3,071,035 1.33%	- 0.00%	103,274,043 44.77%	230,683,274
27 - Printing, Publishing & Allied Industries	- 0.00%	0.00%	4,046 0.12%	0.00%	30,538	4,112 0.13%	- 0.00%	- 0.00%	38,696 1.18%	1,042,307	212.11	1,366 0.04%	0.00%	1,082,581	3,268,506
42 - Motor Freight Transportation & Warehousing	1,954,594 6.98%	591,496 2.11%	875 0.00%	4,699 0.02%	10,412,214 37.20%	6,522,372 23.30%	0.00%	0.00%	19,486,250 69.62%	7,079,786 25.29%	0.00%	15,185 0.05%	0.00%	26,581,220 94.96%	27,991,196
45 - Transportation By Air	45,849 58.12%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	45,849 58.12%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	45,849 58.12%	78,881
47 - Transportation Svcs	118,241 5.50%	0.00%	0.00%	0.00%	0.00%	0.00%	200,588 9.32%	0.00%	318,829 14.82%	0.00%	0.00%	0.00%	0.00%	318,829 14.82%	2,151,245
48 - Communications	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	18,263 0.83%	0.00%	0.00%	0.00%	18,263 0.83%	2,192,551
49 - Electric, Gas & Sanitary Svcs	115,284 0.61%	0.00%	0.00%	0.00%	8,038,676 42.82%	50 0.00% -	0.00%	0.00%	8,154,010 43.43%	200,606 1.07%	0.00%	1,775,889 9.46%	0.00%	10,130,505 53.96%	18,773,198
60 - Depository Institutions 62 - Security & Commodity	0.00% 831,250	0.00%	0.00%	0.00%	0.00% 122,500	0.00%	0.00%	0.00%	0.00% 953,750	0.00% 290,938	0.00%	0.00% 168,438	0.00%	0.00% 1,413,125	981,109
Brokers, DIrs, Exchanges 64 - Insurance Agents, Brokers	5.49%	0.00% 13,309	0.00%	0.00%	0.81%	0.00%	0.00%	0.00%	6.30%	1.92%	0.00%	1.11%	0.00%	9.33%	15,148,966
& Svcs	0.00%	1.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.04%	0.00%	0.00%	0.00%	0.00%	1.04%	1,274,392

A5 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Services (CONTINUED)

		ican rican	Asian F Amer		Hisp Amei		Nati Amer		Minority Business	Women Minority	Lesbian, Gay, Bisexual, Transgender	Disabled Veteran	Other	Total	
Products	Male	Female	Male	Female	Male	Female	Male	Female	Enterprise (MBE)	Business Enterprise (WMBE)	Business Enterprise (LGBTBE)	Business Enterprise (DVBE)	8(a)**	WMDVLGBTBE	Total
65 - Real Estate	1,372,188	-	-	-	-	-	-	-	1,372,188	1,068,365	-	-	-	2,440,553	2 401 257
00 - Kedi Ezidle	39.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	39.42%	30.69%	0.00%	0.00%	0.00%	70.10%	3,481,357
73 - Business Svcs	1,065,753	8,674,877	4,653,789	2,848,528	16,157,433	4,831,940	5,528,642	53,695	43,814,656	31,989,866	49,809	196,997	-	76,051,328	200,628,049
12 - pasiliezz 2ACZ	0.53%	4.32%	2.32%	1.42%	8.05%	2.41%	2.76%	0.03%	21.84%	15.94%	0.02%	0.10%	0.00%	37.91%	200,020,049
75 - Automotive Repair,	-	-	-	-	35,508	6,120	-	-	41,628	19,287	-	-	-	60,915	1,000,020
Svcs & Parking	0.00%	0.00%	0.00%	0.00%	1.78%	0.31%	0.00%	0.00%	2.09%	0.97%	0.00%	0.00%	0.00%	3.06%	1,990,920
	-	-	-	-	-	-	-	-	-	664,233	-	-	-	664,233	
76 - Misc Repair Svcs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.23%	0.00%	0.00%	0.00%	16.23%	4,091,825
00 Health Cure	-	-	-	1,064,471	-	-	-	-	1,064,471	-	-	-	-	1,064,471	1 450 7 01
80 - Health Svcs	0.00%	0.00%	0.00%	72.97%	0.00%	0.00%	0.00%	0.00%	72.97%	0.00%	0.00%	0.00%	0.00%	72.97%	1,458,681
04 1 10	82,992	717,855	887,474	551,565	331,241	-	-	-	2,571,127	1,216,227	-	-	-	3,787,355	01 000 050
81 - Legal Svcs	0.27%	2.30%	2.84%	1.77%	1.06%	0.00%	0.00%	0.00%	8.24%	3.90%	0.00%	0.00%	0.00%	12.14%	31,202,252
87 - Engrg, Accounting,	484,677	3,252,846	23,103,513	969,492	33,363,692	109,270	469,328	68,466	61,821,283	22,019,334	13,182	1,205,654	-	85,059,453	217 70 4 100
Research, Mgmt	0.22%	1.49%	10.61%	0.45%	15.32%	0.05%	0.22%	0.03%	28.39%	10.11%	0.01%	0.55%	0.00%	39.06%	217,784,180
89 - Svcs, Not Elsewhere	2,567	-	69,751	-	91,546	7,996,692	75	-	8,160,631	9,894,584	-	67,137	-	18,122,351	05.400.440
Classified	0.01%	0.00%	0.20%	0.00%	0.26%	22.59%	0.00%	0.00%	23.05%	27.95%	0.00%	0.19%	0.00%	51.19%	35,402,660
T-1-10	14,172,974	13,250,382	38,634,108	8,695,628	217,467,171	31,431,132	28,433,102	122,162	352,206,658	175,055,460	63,203	21,675,673	-	549,000,994	1 400 214 002
Total Service Procurement	1.01%	0.94%	2.74%	0.62%	15.43%	2.23%	2.02%	0.01%	24.99%	12.42%	0.00%	1.54%	0.00%	38.96%	1,409,214,993

Total Product Procurement \$ Total Service Procurement \$ Net Procurement**

\$269,107,100

* Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE

** Net procurement includes purchase order, non-purchase order and credit card dollars \$1,678,322,093 Direct - direct procurement Sub - subcontractor procurement

A6 9.1.10A Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification - 2018

						and Gender								Ro	esults by WMD	VBE Certificati	on						
	Į.		A	sian Pacific Ame	erican	Afr	ican America	an	His	panic Americ	an	Nat	tive Amer	ican	Otl	ner Minor	ity²	Minority	Women	Lesbian, Gay, Bisexual,	Disabled Veteran	Total	Total
	Product ¹	Unit	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Business Enterprise (MBE)	Business Enterprise (WBE)	Transgender Business Enterprise (LGBTBE)	Business Enterprise (DVBE)	WMDVLGBTBE Procurement Spend	Procurement Spend
	Short	\$	-	\$9,509,355	\$9,509,355	\$11,675,046	-	\$11,675,046	-	-	-	\$16,666,117	-	\$16,666,117	-	-	-	\$37,850,517	\$5,227,729	-	\$15,724,671	\$58,802,916	\$567,566,685
AS	Term	%	0.0%	1.7%	1.7%	2.1%	0.0%	2.1%	0.0%	0.0%	0.0%	2.9%	0.0%	2.9%	0.0%	0.0%	0.0%	6.7%	0.9%	0.0%	2.8%	10.4%	
NATURAL GAS	Long	\$	-	\$3,393,576	\$3,393,576	\$13,198,884	-	\$13,198,884	-	-	-	-	-	-	-	-	-	\$16,592,460	-	-	-	\$16,592,460	\$745,786,127
IATUI	Term	%	0.0%	0.5%	0.5%	1.8%	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	0.0%	0.0%	0.0%	2.2%	
_	Total Natural	\$	-	\$12,902,931	\$12,902,931	\$24,873,930	-	\$24,873,930	-	-	-	\$16,666,117	-	\$16,666,117	-	-	-	\$54,442,977	\$5,227,729	-	\$15,724,671	\$75,395,377	\$1,313,352,812
	Gas	%	0.0%	1.0%	1.0%	1.9%	0.0%	1.9%	0.0%	0.0%	0.0%	1.3%	0.0%	1.3%	0.0%	0.0%	0.0%	4.1%	0.4%	0.0%	1.2%	5.7%	
	Short	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Term	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
LPG	Long	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
_	Term	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	Total Natural	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gas	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	Overall T	otal \$		\$12,902,931	\$12,902,931	\$24,873,930	-	\$24,873,930	-	-	-	\$16,666,117	-	\$16,666,117	-	-	-	\$54,442,977	\$5,227,729	-	\$15,724,671	\$75,395,377	\$1,313,352,812
	Overall To	otal %	0.0%	1.0%	1.0%	1.9%	0.0%	1.9%	0.0%	0.0%	0.0%	1.3%	0.0%	1.3%	0.0%	0.0%	0.0%	4.1%	0.4%	0.0%	1.2%	Overall WMDVLGBTBE%	5.7%

NOTE:
Short Term: The term of the deal is no longer than one calendar month
Long Term: The term of the deal is greater than one calendar month but less than one calendar year

¹ Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives

² Includes Non-WMDVLGBT firms classified as 8(a) of Small Business Administration

A7 9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse - 2018

					D	ata On Number	of Suppliers							
			Revenue Rep	orted to CH	S		Utility-Specific 2018 Summary							
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total		
Under \$1 million	106	60	4	39	0	209	244	184	4	36	0	468		
Under \$5 million	78	60	0	0	0	138	43	27	0	4	0	74		
Under \$10 million	34	39	0	1	0	74	16	10	0	0	0	26		
Above \$10 million	95	66	0	1	0	162	10	4	0	1	0	15		
TOTAL	313	225	4	41	0	583	313	225	4	41	0	583		

	Revenue and Payment Data												
		Revenue Reported to CHS						Utility-Specific 2018 Summary					
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	
Under \$1 million	31.1	23.6	0.2	0.0	0.0	54.9	41.0	27.2	0.1	3.9	0.0	72.2	
Under \$5 million	204.2	153.4	0.0	0.0	0.0	357.6	91.3	59.8	0.0	7.0	0.0	158.1	
Under \$10 million	247.0	268.9	0.0	5.6	0.0	521.5	112.6	74.1	0.0	0.0	0.0	186.7	
Above \$10 million	33,489.3	8,621.9	32.5	16.0	0.0	42,159.7	176.1	68.8	0.0	11.5	0.0	256.4	
TOTAL	33,971.7	9,067.8	32.7	21.6	0.0	43,093.7	421.0	229.9	0.1	22.4	0.0	673.4	

NOTE:

*Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE CHS: Supplier Clearinghouse



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