



**Suburban  
Water Systems**

A SouthWest Water Company

DIVERSITY  
EQUALITY  
INCLUSION

**2019**

SUPPLIER DIVERSITY  
ANNUAL REPORT

**2020**

ANNUAL  
PLAN

# COMMITMENT AND POLICY

## COMMITMENT

Suburban Water Systems (Suburban) is committed to developing mutually beneficial business relationships with Woman, Minority, Disabled Veteran, Lesbian, Gay, Bisexual, and Transgender Business Enterprises (WMDVLGBTBE) that have the capability to meet or exceed our requirements for products and services. Identifying these businesses, providing those opportunities to do business with us, and helping them succeed is essential for our own success. These actions align with our mission and core values, for Suburban Supplier Diversity is not just a “program,” but our way of doing business.

## POLICY

It is Suburban’s policy to support Supplier Diversity and increase business opportunities for certified diverse business enterprises. We recognize the value of creating opportunities for all suppliers to participate in sourcing of products and services as they arise within our company.

Our employees are encouraged to provide support and opportunities for diverse suppliers who may also be valued customers. Our policy directs those throughout our organization with procurement responsibilities to play a role in achieving our corporate Supplier Diversity objectives.



### PIPELINE INTO PROCUREMENT

Suburban organized and participated in Pipeline Into Procurement which put Suburban buyers in front of diverse suppliers interested in doing business with Suburban.



### CPUC SMALL BUSINESS EXPO

Lauren James was proud to share Suburban’s accomplishments from 2018 achieving 49% diverse vendor spend- the highest spend & percentage in company history at the CPUC Small Business Expo



### CONTACT INTO CONTRACT

Supplier Diversity Manager, Lauren James, networking with WMBE language services vendor, Iberican Language Services, at the CPUC Small Business Expo. Suburban later utilized her services for customer notices needing translation.

# SUBURBAN SUPPLIER DIVERSITY PROGRAM



## OUR MISSION

- Provide equal opportunity to all vendors for the benefit of our community



## OUR VISION

- Develop strong base of highly qualified diverse vendors
- Include all qualified vendors in bid and proposal opportunities
- Measure, benchmark, and report Suburban's supplier diversity spend
- Use local diverse vendors to strengthen economic growth in communities we serve



## OUR PLANNING

- Seek vendor referrals from other Class A IOU's
- Attend and host events
- Use CPUC Supplier Clearinghouse database to identify vendors
- Apply consistent and reasonable contract and insurance requirements
- Engage company personnel receiving goods and services



## OUR 2020 GOALS

- Partner with CPUC on metric goal setting
- Increased WBE %, establish % for LGBTBE, support all veterans
- Partner with CPUC to make California the champion for Supplier Diversity in the USA
- Educate stakeholders, consumers, and small businesses on the importance of the program (workshops, presentations, etc.)



## OUR BEST PRACTICES

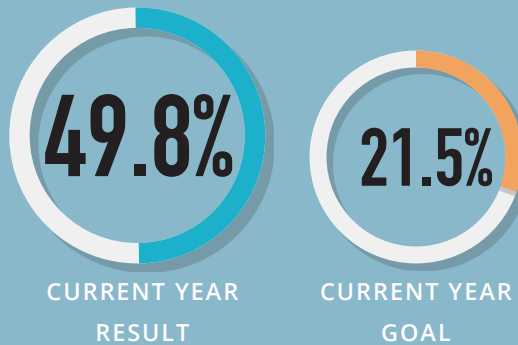
- Be open to new vendors
- Attend events to meet vendors
- Take time to meet and try them
- Include qualified diverse vendors on project bids and proposals
- Ensure all vendors adhere to requirements (insurance, safety, documentation)
- Track 2nd tier spend
- Give feedback to vendors
- Provide clear expectations
- Seek certified vendors from Supplier Diversity Manager
- Understand the need for the vendor
- Understand standards and specifications of work to be performed
- Create small/low risk opportunities for vendors to demonstrate quality of work and customer service

# 2019 ACCOMPLISHMENTS:



**ALL CPUC GOALS HIT**  
(MBE, WBE, DVBE SPEND GOALS)

## TOTAL WMDVBE SPEND



CATEGORY	CURRENT YEAR RE-SULTS	CURRENT YEAR GOALS
Minority Business Enterprise (MBE)	24.68%	15.00%
Women Business Enterprise (WBE)	8.07%	5.00%
Sub Total Women, Minority Business Enterprise (WMBE)	<b>32.75%</b>	<b>20.00%</b>
Service Disabled Veteran Business Enterprise (SDVBE)	4.67%	1.50%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBT-BE)	12.38%	0.00%

**ADDED 10  
NEW DIVERSE  
BUSINESSES**



**HOSTED CWA  
W.A.T.E.R  
WORKSHOP**





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# A MESSAGE FROM OUR PRESIDENT



**CRAIG GOTT**  
President

Suburban Water Systems (Suburban) is pleased to submit this 2019 Annual Report outlining its activities under the Utility Supplier Diversity Program (USDP).

In 2019, Suburban celebrated another strong performance accomplishing 49.81% diverse spend, our highest percentage diversity spend ever, while contracting with 50 diverse vendors, our highest diverse vendor count ever. Suburban's 2019 total expenditures with certified diverse suppliers reached \$13,729,734. We are pleased with our 2019 results and the collaborative contributions that Suburban's team members made to achieve these results.

Suburban is committed to providing equal opportunities to all potential business partners. Our goal is to collaborate with businesses, large and small, that can help us fulfill our mission of Serving our Customers safe, reliable, high-quality water, in a cost-effective manner that maximizes company resources and minimizes costs to Suburban's customers. We seek out diverse companies that share our mission.

A Supplier Diversity program needs to provide opportunities for all vendors to be successful. An organization needs to have a disciplined procurement approach that requires the participation of those who use the products and services. The key to our success has been our committed management team. I am proud of the effort that our leaders and employees have made understanding their purchasing needs, and fairly applying our rigorous contract, insurance, and safety policies to all vendors.

In this annual report, we highlight these successes and activities that have sustained our program. We also lay out our strategy for providing opportunities for diverse subcontractors to add value to our supply chain in light of a changing project landscape. Suburban remains committed to Supplier Diversity, and our goal in 2020 is to continue expanding opportunities for diverse vendors.

YEAR	DIVERSE SPEND (Millions)	% SPEND	NUMBER OF DIVERSE FIRMS
<b>2019</b>	<b>\$13.8</b>	<b>49.81%</b>	<b>50</b>
2018	\$15.8	49.75%	37
2017	\$8.7	38.29%	29
2016	\$6.9	37.09%	32
2015	\$5.1	24.72%	27
2014	\$4.3	23.88%	23
2013	\$3.0	32.18%	28
2012	\$7.2	32.87%	33

# 2019 PROGRAM HIGHLIGHTS

A key element to the success of Suburban's Supplier Diversity program is our procurement process which includes diverse vendors wherever possible in our proposal and bidding efforts. This process has opened the doors to many diverse vendors in a variety of industries. This report highlights our efforts in 2019 as well as outlines our plan for 2020.

## **Focused involvement in the sourcing of diverse suppliers for bid opportunities**

- Continued collaboration at the front end of buying decisions to ensure diverse businesses are included in bid opportunities.
- Entered into master services contracts that included Supplier Diversity conditions such as Tier 2 spend reporting, and right-sized insurance requirements that are reasonable for the work being done.
- Hosted networking event with selected diverse vendors to interface with Suburban buyers.

## **Expanded supply chain with supplier outreach**

- Individual meetings with diverse suppliers interested in doing business with Suburban.
- Attended CPUC sponsored events; including participation in panels regarding Supply Diversity program insight at the CPUC Small Business Expo.
- Attended DVBE networking and matchmaking events.
- Attended and presented at CWA sponsored events, including CWA Meet The Primes.
- Hosted CWA W.A.T.E.R 4-part Workshop giving vendors an opportunity to network with Suburban buyers and leadership and to gain familiarity with Suburban's operations.
- Organized and facilitated CWA regional event- Pipeline Into Procurement, that provided an opportunity to introduce tested diverse selected to company personnel/buyers.

## **Trained prime suppliers on creating opportunities to increase Tier 2 opportunities**

- Held a prime contractor event to demonstrate importance of sub-contracting with Tier 2 diverse vendors, and reporting their Tier 2 spend.
- Our primes are held strictly accountable for reporting Tier 2 spend.
- Facilitated opportunities diverse and non-diverse business owners to work together.
- Suburban VP, Engineering and Suburban's Procurement Specialist participated in matchmaking event with potential diverse vendors.

## **Suburban's use of diverse firms**

- Expanded utilization of diverse firms in the areas of vehicle fuel supply, office security services, finance bond placement, and water quality testing.

## **Diverse vendors were provided opportunities to participate in Capital Projects**

- The changing mix of projects can have a significant impact on diverse supplier participation. Suburban has been very successful in efforts to involve and grow our pool of diverse contractors. We are proud to report that 5 of our largest prime contractors are diverse.

## **Increased Operation Team Involvement**

- Provided mentoring to several existing suppliers who were referred to Suburban's Utility Supplier Diversity Program Manager (USDPM) for coaching and evaluation of certification eligibility.
- Suburban management continued to collaborate and communicate on procurement practices.

## INTERNAL AND EXTERNAL ACTIVITIES SECTION 9.1.1

## EXTERNAL ACTIVITIES:

Suburban focused on increasing spend in the WMBE/WBE and DVBE categories in 2019. Suburban accomplished this by participating in several matchmaking events, including two DVBE sponsored events. Suburban did business with a DVBE security service firm, and a WBE fuel procurement and technology provider, and a WBE finance bond placement firm. We are very pleased with the effort and focus of Suburban's employees to accomplish our annual goals.

## INTERNAL ACTIVITIES:

Suburban continues to emphasize the importance of the Supplier Diversity program to our employees and to promote our supplier diversity goals. Suburban aims to consistently exceed each of the CPUC's diversity spend goals totaling 21.5%. Suburban's USDPM shares information and educates staff about Suburban's Supplier Diversity program at various meetings and conversations throughout the year. Suburban is focused on creating an organizational culture that includes diverse vendors in all contract opportunities. Suburban promotes this program and goals at the following company events:

- Mid-manager meetings
- Executive staff meetings
- District and departmental meetings
- Company Internal newsletter and weekly announcements
- Luncheon Celebration

We discussed the following in these forums:

- The purpose of the Supplier Diversity program
- Awards of contracts to new or existing diverse firms
- Introduction of new diverse firms to operation personnel
- Review of bidding opportunities
- Discussion of outcomes of bidding opportunities.
- Best practices for successful procurement and contract execution

We have included diverse businesses in the following major Capital Project bid opportunities:

- Pipeline Projects
- Reservoir removal and restoration
- Customer notices and mailings
- Security Services at district office

## CWA MEET THE PRIMES

Suburban and the California Water Association (CWA) team brought together water companies, large prime suppliers and diverse suppliers for a one-day Meet the Primes event to learn and connect.



# INTERNAL CHAMPIONS AWARDS



**FRANK GARCIA**  
MANAGER, MECHANICAL MAINTENANCE

- Sought out certified vendor from Lauren
- Understood the need for the vendor and standards/specifications of work to be performed
- Created small/low risk opportunity for vendor to demonstrate quality of work & customer service
- Ensured insurance requirements were appropriate for scope and nature of projects
- Provided timely feedback to vendor to ensure expectations were being met
- Progressively awarded larger projects



**ENGINEERING DEPARTMENT**  
**JORGE LOPEZ**  
VP, ENGINEERING  
**VERONICA DE LA SANTO**  
PROCUREMENT SPECIALIST  
**NATHAN AU**  
MANAGER, ENGINEERING

- Open to new vendors
  - Take time and meet with them
- Include diverse vendors on project bids
- Make sure vendors adhere to requirements
  - Insurance, safety, documentation
- Track 2nd Tier Spend
- Give feedback
- Provide clear expectations
- Attend Events





# SUPPLIER DIVERSITY CELEBRATION LUNCHEON:

## 2018

### RESULTS

- Suburban's highest ever % diverse spend: **49.75%**
- Highest of CA regulated water utilities in 2018
- Second highest of all CA regulated utilities in 2018
- Suburban's highest diverse spend: \$15.8M
- Suburban's highest diverse vendor count: 37
- First time reporting 2nd tier spend
- First time reporting a DVBE Spend % and hitting the DVBE goal

## 2019



# SUPPLIER DIVERSITY CELEBRATION EVENT:

SEPTEMBER 25, 2019

- **Raise awareness** with local Community Based Organizations, Elected Official offices, employees and vendors
- **Recognize** those who demonstrated best practices and contributed to Suburban's successful year:



## VENDOR AWARDS:

MVP Diverse Vendor of the year – **Brkich Construction**  
 Rookie Diverse Vendor of the year – **Lyden Electric**  
 Diverse Vendor Appreciation award – **ACP Publications**

## DIVERSE SUPPLIER SPOTLIGHT: SERVEXO PROTECTIVE SERVICES

"Suburban Water allows us to expand our service reach to other water utilities and is a great pleasure to work with. As a vendor, Suburban Water makes you feel as if you are apart of their business family."- John Palmer



**JOHN PALMER, PSP,  
CHIEF EXECUTIVE OFFICER  
SERVEXO PROTECTIVE SECURITY, INC.**

John Palmer is a subject matter expert in security consulting & risk analysis. John has served previously in multiple managerial capacities in the security industry, including Securitas USA, MPP Bodyguards and various security roles within different industries. John Palmer founded Servexo Protective Services, Inc. in 2010 while serving as an active US Army service member. The events of September 11, 2001 also made an impression on his purpose in life to serve his country. In his journey and passion to serve others, he recognized a void in the civilian marketplace and saw the need for a truly customer service-oriented approach to security.

Mr. Palmer is a subject matter expert in security consulting and risk analysis (physical, aerial, and infrastructure). Some of John's work includes the first ever drone security service for the commercial security industry. Additionally, as a result of his coalition with Washington College's GIS Department, Mr. Palmer has developed a new concept for CPTED (Crime Prevention Through Environmental Design). Mr. Palmer's philosophy for security is always to 'prevent and mitigate'. This risk analysis application has helped clients in multiple industries to detect external and internal security threats.

Today, Mr. Palmer oversees long-range planning, ongoing operations, and process development, and he serves as general counsel for corporate affairs. His diverse background in the security industry, government, executive protection, and general business operations allows him to share his breadth of experience with the rest of the Servexo executive leadership team. Mr. Palmer has personally pledged Servexo's hiring efforts to Los Angeles' Mayor Garcetti's "10,000 Strong Initiative" to hire 10,000 veterans by year end 2020.

Under Mr. Palmer's direction, Servexo has reinforced its market leadership position in providing high quality, technology-integrating customer-centric security services. Mr. Palmer states, "It is our goal is to stay ahead of the daily threats to security. By studying the latest threats, we are able to provide the best solutions with our security workforce management services. We are the best at what we do, the rest of the world just doesn't know it yet."

## SUMMARY OF PURCHASES OR CONTRACTS BY ETHNICITY SECTION 9.1.2

WMDVBE/LGBTBE ANNUAL RESULTS BY ETHNICITY					
	ETHNICITY	Direct \$	Sub \$	Total \$	Percent %
MINORITY MALE	Asian-Pacific	\$749,251	\$600,000	\$1,349,251	4.86%
	African-American	\$176,200		\$176,200	0.63%
	Hispanic	\$5,324,404	\$5,086	\$5,329,490	19.19%
	Native American				
	<b>Total</b>	<b>\$6,249,855</b>	<b>\$605,086</b>	<b>\$6,854,941</b>	<b>24.68%</b>
MINORITY FEMALE	Asian-Pacific	\$71,304		\$71,304	0.26%
	African-American	\$4,580		\$4,580	0.02%
	Hispanic	\$1,394,062		\$1,394,062	5.02%
	Native American				
	<b>Total</b>	<b>\$1,469,947</b>	<b>\$0</b>	<b>\$1,469,947</b>	<b>5.29%</b>
<b>TOTAL MBE</b>		<b>\$7,719,802</b>	<b>\$605,086</b>	<b>\$8,324,888</b>	<b>29.97%</b>
<b>WBE</b>		<b>\$698,538</b>	<b>\$74,446</b>	<b>\$772,984</b>	<b>2.78%</b>
<b>Subtotal MWBE</b>		<b>\$8,418,340</b>	<b>\$679,532</b>	<b>\$9,097,872</b>	<b>32.75%</b>
<b>LGBTBE</b>		<b>\$3,439,839</b>		<b>\$3,439,839</b>	<b>12.38%</b>
<b>DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)</b>		<b>\$1,185,337</b>	<b>\$112,977</b>	<b>\$1,298,314</b>	<b>4.67%</b>
<b>TOTAL WMDVGBTBE</b>		<b>\$13,043,516</b>	<b>\$792,509</b>	<b>\$13,836,025</b>	<b>49.81%</b>
<b>OTHER 8(a)*</b>					
<b>TOTAL WMDVLGBTBE</b>		<b>\$13,043,516</b>	<b>\$792,509</b>	<b>\$13,836,025</b>	<b>49.81%</b>
<b>Net Procurement**</b>		<b>\$27,778,861</b>		<b>\$27,778,861</b>	<b>100.00%</b>

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



ANNUAL RESULTS BY PRODUCTS AND SERVICES - DIRECT								
	ETHNICITY		Products \$	%	Services \$	%	TOTAL \$	%
MINORITY MALE	Asian-Pacific	Direct	\$186,731	0.67%	\$562,520	2.02%	\$749,251	2.70%
	African-American	Direct			\$176,200	0.63%	\$176,200	0.63%
	Hispanic	Direct	\$146,478	0.53%	\$5,177,926	18.64%	\$5,324,404	19.17%
	Native American	Direct						
	<b>Total</b>	<b>Direct</b>	<b>\$333,209</b>	<b>1.20%</b>	<b>\$5,916,646</b>	<b>21.30%</b>	<b>\$6,249,855</b>	<b>22.50%</b>
		Direct						
MINORITY FEMALE	Asian-Pacific	Direct			\$71,304	0.26%	\$71,304	0.26%
	African American	Direct			\$4,580	0.02%	\$4,580	0.02%
	Hispanic	Direct			\$1,394,062	5.02%	\$1,394,062	5.02%
	Native American	Direct						
	<b>Total</b>	<b>Direct</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$1,469,947</b>	<b>5.29%</b>	<b>\$1,469,947</b>	<b>5.29%</b>
<b>Total MBE</b>		Direct	<b>\$333,209</b>	<b>1.20%</b>	<b>\$7,386,593</b>	<b>26.59%</b>	<b>\$7,719,802</b>	<b>27.79%</b>
<b>WBE</b>		Direct	<b>\$22,415</b>	<b>0.08%</b>	<b>\$676,123</b>	<b>2.43%</b>	<b>\$698,538</b>	<b>2.51%</b>
<b>Subtotal MWBE</b>		Direct	<b>\$355,624</b>	<b>1.28%</b>	<b>\$8,062,716</b>	<b>29.02%</b>	<b>\$8,418,340</b>	<b>30.30%</b>
<b>LGBTBE</b>		Direct			<b>\$3,439,839</b>	<b>12.38%</b>	<b>\$3,439,839</b>	<b>12.38%</b>
<b>DVBE</b>		Direct			<b>\$1,185,337</b>	<b>4.27%</b>	<b>\$1,185,337</b>	<b>4.27%</b>
<b>TOTAL WMDVGBTBE</b>		Direct	<b>\$355,624</b>	<b>1.28%</b>	<b>\$12,687,892</b>	<b>45.67%</b>	<b>\$13,043,516</b>	<b>46.95%</b>
<b>Products Procurement</b>	<b>\$355,624</b>							
<b>Service Procurement</b>	<b>\$12,687,892</b>							
<b>Net Procurement</b>	<b>\$27,778,861</b>							
<b>Net WMDV/LGBTBE Procurement</b>	<b>\$13,043,516</b>							
<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>	<b>43</b>							

## SUMMARY OF PURCHASES OR CONTRACTS BY PRODUCTS AND SERVICES (SUB)SECTION 9.1.2

	ETHNICITY		Products \$		Services \$	%	TOTAL \$	%
MINORITY MALE	Asian-Pacific	Sub			\$600,000	0.00%	\$600,000	2.16%
	<u>African-American</u>	Sub						
	Hispanic	Sub			\$5,086	0.02%	\$5,086	0.02%
	Native American	Sub						
	<b>Total</b>	Sub	<b>\$0</b>	<b>0.00%</b>	<b>\$605,086</b>	<b>2.18%</b>	<b>\$605,086</b>	<b>2.18%</b>
		Sub						
MINORITY FEMALE	Asian-Pacific	Sub						
	African American	Sub						
	Hispanic	Sub						
	Native American	Sub						
	<b>Total</b>	Sub	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>0.00%</b>
<b>Total MBE</b>		Sub	<b>\$0</b>	<b>0.00%</b>	<b>\$605,086</b>	<b>2.18%</b>	<b>\$605,086</b>	<b>2.18%</b>
<b>WBE</b>		Sub	\$69,641	0.25%	\$4,805	0.02%	\$74,446	0.27%
<b>Subtotal MWBE</b>		Sub	<b>\$69,641</b>	<b>0.25%</b>	<b>\$609,891</b>	<b>2.20%</b>	<b>\$679,532</b>	<b>2.45%</b>
<b>LGBTBE</b>		Sub						
<b>DVBE</b>		Sub		0.00%	\$112,977	0.41%	\$112,977	0.41%
<b>TOTAL WMDVGBTBE</b>		Sub	<b>\$69,641</b>	<b>0.25%</b>	<b>\$722,868</b>	<b>2.60%</b>	<b>\$792,509</b>	<b>2.85%</b>

Products Procurement	\$69,641
Service Procurement	\$722,868
Net Procurement	\$27,778,861
Net WMDV/LGBTBE Procurement	\$792,509
Total Number of WMDVLGBTBEs that Received SUB Spend	7



## ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES SECTION 9.1.2

Direct	Minority						Non-Minority			Total
	MBE			WMBE			DVBE	LGBTBE	WBE	
	African American	Asian-Pacific	Hispanic	African American	Asian-Pacific	Hispanic	(n/a)	(n/a)	(n/a)	
1623			1,505,217.89				112,977.40			1,618,195.29
1623			1,864,098.99							1,864,098.99
1623							1,157,526.50			1,157,526.50
1623								3,439,839.18		3,439,839.18
1623									7,416.00	7,416.00
1623									255,264.70	255,264.70
1629			8,715.43							8,715.43
1721		600,000.00								600,000.00
1731						183,532.47				183,532.47
1771			1,069,975.00							1,069,975.00
1799		18,210.00								18,210.00
1799			13,833.00							13,833.00
1799			35,770.00							35,770.00
1799									14,117.00	14,117.00
1799									4,805.00	4,805.00
2531				4,580.32						4,580.32
2752			148,610.34							148,610.34
3498									55,523.97	55,523.97
3713		160,566.10								160,566.10
3799									7,482.59	7,482.59
4619						1,204,653.68				1,204,653.68
5063									4,787.46	4,787.46
5074									115.30	115.30
5085									10,144.95	10,144.95
5113			83,517.65							83,517.65
5172									408,579.01	408,579.01
5983			4,753.49							4,753.49
6211	160,000.00									160,000.00
7311					160.00					160.00
7342						3,010.00				3,010.00
7353			5,085.81							5,085.81
7371					71,304.36					71,304.36
7371	16,200.00									16,200.00
7371		46,740.00								46,740.00

## ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES SECTION 9.1.2 (CONTINUED)

Direct	Minority						Non-Minority			Total
	MBE			WMBE			DVBE	LGBTBE	WBE	
	African American	Asian-Pacific	Hispanic	African American	Asian-Pacific	Hispanic	(n/a)	(n/a)	(n/a)	
7381							11,310.00			11,310.00
7389						2,866.32				2,866.32
7389							16,500.00			16,500.00
7549									1,365.00	1,365.00
782			247,637.75							247,637.75
8711		287,671.70								287,671.70
8711		209,738.12								209,738.12
8712		26,165.00								26,165.00
8734									3,200.00	3,200.00
8734			58,207.00							58,207.00
8742			259,457.52							259,457.52
8742			1,250.00							1,250.00
8742			23,360.00							23,360.00
8999										
Total	\$176,200	\$1,349,091	\$5,329,490	\$4,580	\$71,464	\$1,394,062	\$1,298,314	\$3,439,839	\$772,984	\$13,836,025

Total Product Procurement	443,475
Total Service Procurement	13,392,550
Total Procurement	13,836,025

## NUMBER OF WMDVLGBTBE SUPPLIERS AND REVENUE REPORTED TO THE CLEARINGHOUSE SECTION 9.1.2 (DIRECT)

Name of Utility				G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)								
Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse												
	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	10	5				15	18	17		2		37
Under \$5 million	4	5				9	3	1	1	1		6
Under \$10 million	3	4				7						0
Above \$10 million	6	2	1			9						
No Revenue Designation				3		3						
TOTAL	23	16	1	3		43	21	18	1	3		43

Revenue and Payment Data												
Revenue Reported to CHS (in millions)							Utility-Specific [2019] Summary (in millions)					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	2,755,000	1,442,000				4,197,000	1,596,273.53	194,332.11				1,790,605.64
Under \$5 million	7,500,000	13,100,000				20,600,000	556,620.27	1,468,814.68				2,025,434.95
Under \$10 million	24,500,000	27,700,000				52,200,000	314,685.12	92,131.90				406,817.02
Above \$10 million	258,700,000	203,000,000	12,000,000			473,700,000	3,782,116.06	413,336.47	3,439,839.18			7,635,321.71
No Revenue Designation				(3)		0				1,185,336.50		1,185,336.50
<b>TOTAL</b>	<b>293,455,000</b>	<b>245,242,000</b>	<b>12,000,000</b>	<b>0.000</b>		<b>\$550,697,000</b>	<b>6,249,694.98</b>	<b>2,168,645.16</b>	<b>3,439,839.19</b>	<b>1,185,336.50</b>		<b>13,043,515.82</b>

## WMDVLGBTBE PROGRAM EXPENSES SECTION 9.1.4

EXPENSE CATEGORY	
Wages	\$ 55,000
Other Employment Expense	
Reporting Expense	
Training	
Consulting	\$1,828.00
Program Expense	\$ 11,611.92
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$68,439.92</b>



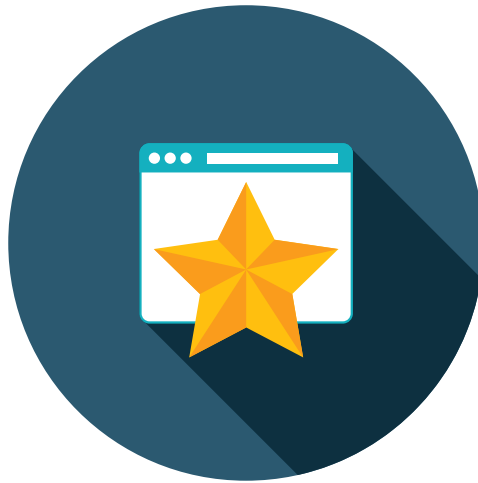
## PROGRESS IN MEETING OR EXCEEDING SET GOALS SECTION 9.1.4

CATEGORY	CURRENT YEAR RESULTS	CURRENT YEAR GOALS
Minority Business Enterprise (MBE)	24.68%	15.00%
Women Business Enterprise (WBE)	8.07%	5.00%
Sub Total Women, Minority Business Enterprise (WMBE)	<b>32.75%</b>	<b>20.00%</b>
<u>Service Disabled</u> Veteran Business Enterprise (SDVBE)	4.67%	1.50%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	12.38%	0.00%
<b>TOTAL WMDVBE</b>	<b>49.81%</b>	<b>21.50%</b>

## SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVLGBTBE SUBCONTRACTORS SECTION 9.1.5

Suburban remains focused on developing Subcontracting spend because it provides opportunities for smaller diverse owned firms to participate in larger contracts that they would otherwise not qualify for, and our primes are starting to understand the value of their participation in the program. Our Master Services Agreements (MSA) require Primes to submit subcontracting spend form to support Suburban's annual reporting. Suburban is committed to subcontracting and looks forward to reporting higher numbers in 2020.

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$6,249,855	\$1,469,947	\$7,719,802	\$698,538	\$3,439,839	\$1,185,337	\$0	\$13,043,516
Subcontracting \$	\$605,086	\$0	\$605,086	\$74,446	\$0	\$112,977	\$0	\$792,509
Total \$	<b>\$6,854,941</b>	<b>\$1,469,947</b>	<b>\$8,324,888</b>	<b>\$772,984</b>	<b>\$3,439,839</b>	<b>\$1,298,314</b>	<b>\$0</b>	<b>\$13,836,025</b>
Direct %	22.50%	5.29%	27.79%	2.51%	12.38%	4.27%	0.00%	46.95%
Subcontracting %	2.18%	0.00%	2.18%	0.27%	0.00%	0.41%	0.00%	2.85%
Total %	<b>24.68%</b>	<b>5.29%</b>	<b>29.97%</b>	<b>2.78%</b>	<b>12.38%</b>	<b>4.67%</b>	<b>0.00%</b>	<b>49.81%</b>
Net Procurement**	\$27,778,861							
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							
	% - PERCENTAGE OF NET PROCUREMENT							
	Direct - DIRECT PROCUREMENT							
	Sub - SUBCONTRACTOR PROCUREMENT							



### WMDVLGBTBE COMPLAINTS RECEIVED SECTION 9.1.6

No WMDVLGBTBE complaints were received.

### RECRUITMENT EFFORTS IN UNDERUTILIZED AREAS SECTION 9.1.7

Recruitment efforts for WMDVLGBTBE firms will remain part of Suburban's ongoing business strategy. Efforts to attract innovative suppliers who can provide exceptional value, safe, quality, service and pricing are part of our procurement sourcing efforts. Suburban continues to take steps continue to recruit and retain new diverse firms, has been carefully monitoring its successes and challenges in sourcing business opportunities with diverse firms.



## ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES SECTION 9.1.2



## WMDVLGBTBE SHORT-, MID- AND LONG-TERM GOALS SECTION 10.1.1

Category	Results	Short Term Goals	Mid Term Goals	Long Term Goals
Minority Business Enterprise (MBE)	24.68%	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	8.07%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)	12.38%			
Disabled Veteran Business Enterprise (DVBE)	4.67%	1.50%	1.50%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>49.81%</b>	<b>21.50%</b>	<b>21.50%</b>	<b>21.50%</b>

GO156 has not yet established goals for LGBTBE vendors.

Suburban's 2020 supplier diversity spend goals will remain consistent with that of the CPUC's General Order 156 goal of 21.5% spend.

Drawing on our operational expertise and long range planning, our strategic approach identified below will help ensure the best possible inclusion of diverse businesses in the procurement of our goods and services going forward.

Suburban has had tremendous success in recent years achieving industry leading Supplier Diversity spending. Much of the diverse spend is related to the Capital Investment program. The varying availability of diverse vendors in project categories can impact the diverse spend. For example almost all of Suburban's prequalified pipeline contractors are certified as diverse vendors. In years where Suburban's Capital investment program is dominated by pipeline projects its diverse spend will be high. Generally, there are very few certified diverse vendors in the larger reservoir and pump station construction category, and while Tier 2 spending might increase in these years where these high dollar projects dominate the capital investment program the overall diverse spend can be lower.



# 2020 STRATEGIC PROGRAM GOALS

## **In 2020, Suburban will focus on carefully selected areas for maximum results:**

- Tighter integration between project planning/forecasting and sourcing
- Specific focus on increasing purchases from Disabled Veteran Businesses, American Indian and African American Owned Businesses, and Women Owned Businesses.
- Ensuring our Prime suppliers are aware of Suburban's preferred vendors for diverse sub-contracting opportunities

## **Integration of Sourcing and Planning**

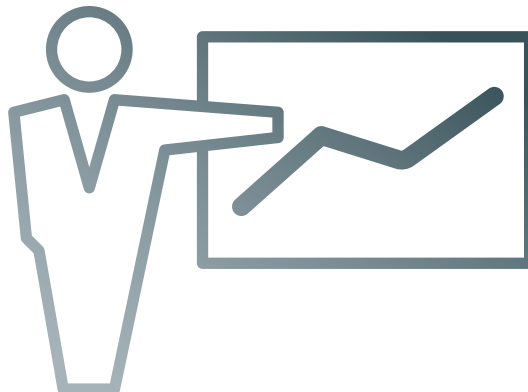
Much of Suburban's spend comes from projects that require long range planning. This extended lead time provides the opportunity to identify WMDVLGBTBE suppliers that can meet the procurement needs. Many of our projects for 2020 have already been sourced and are already under construction. Suburban worked diligently to make sure that prime and subcontractor diverse suppliers were included in the projects. Suburban will continue to provide opportunities for diverse suppliers to partner with us to meet our capital expenditure and operational needs.

In 2020 Suburban will continue to focus on finding opportunities to increase our spend with DVBE, W/MBE- American Indian and African American, and WBE service providers as well as work on sustaining our program's success model.

## **Subcontracting Program**

Suburban remains focused on developing Subcontracting spend because it provides opportunities for smaller diverse owned firms to participate in larger contracts that they would otherwise not qualify for. In 2020 Suburban's capital project contracts require prime suppliers to identify the subcontractors they intend to use. Further, in 2020 we will focus on the following key areas of subcontracting:

- Amend contracts/purchase orders to reflect subcontracting program requirements.
- Introduce eligible diverse subcontractors to Prime contractors to partner on Suburban projects.
- Ensure prime suppliers are consistently made aware of subcontracting requirements
- Track and monitor adherence to subcontracting requirements.
- Continue the requirement for Prime suppliers to complete and submit Suburban's subcontracting form.



## PLANNED INTERNAL/EXTERNAL ACTIVITIES SECTION 10.1.2

Suburban will continue to engage in the internal and external activities that have contributed to our program's successes.

### Planned Internal Activities

- Continued review and analysis of procurement processes to ensure Supplier Diversity is a part of Suburban's business culture.
- Continued program communication and education for company personnel, buyers, and stakeholders.

### Planned External Activities

- California Water Association Member Company (CWA) W.A.T.E.R Program
  - The W.A.T.E.R Program is 4 part workshop (one workshop per quarter totaling 22 hours of training) resulting in them earning a California Water Association's Diverse Business Enterprise certificate. The training and certificate increase the chances that the water utilities will view the vendor as a "safe choice" they can use as a prime or sub-contractor in multi-million dollar projects;
  - In addition to receiving instruction, vendors will be able to connect with 7 participating water companies, including Suburban.
- Increase communication in the diverse supplier community to raise awareness of Suburban's supplier diversity program and enlarge the company's footprint in this community:
- Participate in various outreach events and meetings;
- Collaborate with other IOUs on the identification of suppliers, best practices, program enhancements and improvements, and success factors.



#### CALIFORNIA WATER ASSOCIATION MEMBER COMPANY (CWA) W.A.T.E.R PROGRAM

Since the inception of the Workshop, each vendor with their hand up has won a contract with one of the seven water utilities.

## PLANS TO SEEK AND RECRUIT WMDVLGBTBE SUPPLIERS IN UNDERUTILIZED AREAS (FINANCIAL, LEGAL, ETC.) SECTION 10.1.3

Suburban will continue to identify opportunities to source with diverse firms in underutilized areas. Suburban will continue to build new relationships with diverse suppliers through communication and collaboration with key stakeholders in the community.

## PLANS FOR SEEKING OR RECRUITING WMDVLGBTBE SUPPLIERS FOR EXCLUDED CATEGORIES SECTION 10.1.4

Suburban remains committed to including diverse businesses in all bid opportunities. There are some categories where this is not possible. i.e. – purchased water, government payments, employee costs, waste removal, customer refunds, etc.

## PLANNED SUBCONTRACTING OPPORTUNITIES SECTION 10.1.5

Suburban remains committed to including diverse businesses in all bid opportunities. There are some categories where this is not possible. i.e. – purchased water, government payments, employee costs, waste removal, customer refunds, etc.

## PROGRAM COMPLIANCE SECTION 10.1.6

Suburban remains committed to supporting Supplier Diversity. Suburban's program continues to evolve over time and build on our strengths. As we enter our 17th year of a formal program, we understand that to sustain our program we will need to find new solutions to meet our sourcing challenges, and maximize opportunities for diverse businesses. Our three-pronged strategic approach of planning, subcontracting, and reporting will enable Suburban to continue to successfully support the program.



Our leadership and management teams are committed to the Program and have created a culture that supports Suburban's strong Supplier Diversity procurement processes. Actively seeking the support of external stakeholders will remain a key program element. Suburban looks to procure the best products and services at the best possible cost, and will continue to look to diverse suppliers to assist us in meeting our business needs.



## **Suburban Water Systems**

**A SouthWest Water Company**

For more information about Supplier Diversity at Suburban, contact:

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