



TOGETHER  
≈ WE ARE ≈  
STRONGER

## CALIFORNIA AMERICAN WATER

2020 Annual Report to the California Public Utilities Commission  
(for 2019 results)

Women, Minority, Disabled Veteran, LGBT Business Enterprise Procurement  
Pursuant to CPUC General Order 156 (U-60-W)



## POLICY

California American Water recognizes the value of supplier diversity as a strategic business decision. We are committed to identifying diverse suppliers and offering them an opportunity to compete for products and services contracts.



## VISION

We create opportunities – including education and mentorship – for diverse suppliers and strive to work with diverse suppliers who meet our high standards and work in our customers' best interests.



## MISSION

Our mission is to open business doors for diverse suppliers who otherwise would not have been knowledgeable of contract opportunities with California American Water. We are steadfast in our commitment to ensure that available contract opportunities are known and reviewed in an open and fair competitive business environment.

COVER: California American Water, American Water and diverse vendors in attendance at the May 2019 California American Water Diverse Supplier Showcase held at the Lions Gate Hotel in Sacramento.

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*RICHARD SVINDLAND, President*

# PRESIDENT'S MESSAGE

## TOGETHER WE ARE STRONGER.

Once again, California American Water has proven that together we are stronger when we embrace diversity and inclusion. Ed and I are pleased to present the 2019 supplier diversity results in our 2020 Annual Report to the CPUC.

In 2019, we reached new heights as we accomplished every goal we set forth in last year's report. Some noteworthy accomplishments from this past year include implementing an internal site for team members to search for certified/vetted diverse suppliers, rolling out our Partnering Forward for Success Program in partnership with Chicago United and SDI Presence, and enhancing our assistance to diverse suppliers. We welcomed Simeona "Mona" Pasquil Rogers, who served as California's first Asian and first female Lieutenant Governor, as a member of the California American Water board of directors.

Our first annual Inclusion & Diversity Day celebration was held on January 16, 2020. American Water CEO, Susan Story, kicked off the day by signing the CEO Diversity and Inclusion Statement. Offices across the state held inclusion and diversity events specific to their locations.

For the second year in a row, we have exceeded all three CPUC category goals. This is thanks to our team's commitment to and focus on diverse and inclusive procurement. Not only do we have a diverse supplier base, but our employees and board of directors reflect the communities we live in.

Our Supplier Diversity Council has been an integral part of our success by keeping our prime suppliers and all California American Water employees focused on diversity and inclusion in all of our purchasing. Our efforts go beyond just hiring diverse prime suppliers. We have created a program that further encourages our prime suppliers, now known as Committed Corporations (learn more on pg. 12–13), to subcontract with diverse vendors (now Partners) as well. This trickledown effect increases our reach into diverse communities. Our hope is that not only will these Committed Corporations work with diverse subcontractors, now referred to as Partners, on California American Water projects, but on projects with other clients as well.

Our work is not done, but we continue to make progress in developing a more diverse and inclusive supplier base. We hope that this is evident through not only the data shared throughout this report, but the stories and testimonials shared as well.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard Svindland", written in a cursive style.

**RICHARD SVINDLAND**  
PRESIDENT



# MESSAGE FROM THE DIRECTOR OF SUPPLIER DIVERSITY



*EDWARD SIMON, Director of Business  
Performance & Supplier Diversity*

## DIVERSITY IS A FACT. INCLUSION IS AN ACT.

At California American Water, we understand diversity is a fact and inclusion is an act. We have increased our focus on being intent in our acts to being inclusive. Our continued supplier diversity program focus is just one of the many efforts.

Together we are stronger. Being an inclusive team or organization takes a lot of effort, and no one individual can accomplish this alone. Working together makes us stronger. We have experienced this here at California American Water, and our results show it. Our parent company, state, and local leadership understand that inclusion of diverse suppliers in our procurement processes is not just the right thing to do, but it's proven to be good for business. I'm pleased to report we accomplished EVERYTHING we set out to do as noted in our 2019 report. This includes but is not limited to:

- Achieved our short-term goal (23%) by ending the year at 34.69%
- Fully implemented our new Internal Supplier Diversity Marketplace, an internal site for team members to search for certified/vetted diverse suppliers. (Pg. 12)
- Set the foundation for our Partnering Forward for Success Program in partnership with Chicago United and SDI Presence. (Pg. 12–13)
- Continued our Community Based Organizations (CBO) sponsorship and increased our engagement including leadership roles on three boards. (Pg. 14)
- Increased monitoring our prime contractors (now Committed Corporations, explained further on pg. 12–13) and their use of subcontractors (now Partners). (Pg. 15)
- Enhanced our technical assistance and capacity building assistance through CWA's New W.A.T.E.R. Class, partnerships with other utilities, and CBOs. (Pg. 15–18)
- Continued (internal and external) reporting efficiency efforts. (Pg. 18)
- Continued annual supplier diversity showcase events for which Diversity Professional Magazine has recognized in the past. (Pg. 19)
- Set the foundation to take a deeper dive into previous years' internal supplier diversity survey. (Pg. 20)

In addition to accomplishing EVERYTHING we set out to do in 2019, we also:

- Onboarded 12 new diverse suppliers, one of which is our 2019–2020 Mentor Protege - Pivotal Adaptive Services. (Pg. 7)
- Our parent company, American Water, increased its supplier diversity efforts/focus AND developed a roadmap/journey to be an inclusive and diverse organization. (Pg. 20)
- We were nominated and recognized for our diversity and inclusion efforts. (Pg. 22)

As you can see, we made quite a bit of progress in 2019. I hope you enjoy reading our report. If you have any questions about our report and/or suggestions to improve our program, please let me know. I can be reached via email at [edward.simon@amwater.com](mailto:edward.simon@amwater.com) or by phone at 1-619-446-4764.

A handwritten signature in blue ink that reads "Edward A. Simon, II".

**EDWARD A. SIMON, II**  
DIRECTOR OF BUSINESS PERFORMANCE AND SUPPLIER DIVERSITY

# 2019 HIGHLIGHTS

## TESTIMONIALS

California American enjoys working with diverse vendors – small or large – and the relationships we build with them. Here are several diverse firms we are working with and their stories about working with us.



### GUIDED BUSINESS PLAN (MBE - Program Development and Training)

“The miles that Ed travels to business outreach events across the country translate into growth opportunities for smaller companies like mine. His “YES” has led to five contracts within the water industry for our entrepreneur education firm. From a supplier’s point of view, California American Water sets the standard for simplifying vendor onboarding, compliance and invoicing. Your supplier inclusion portal contains a comprehensive toolbox that even has examples of contract agreements. His team’s professionalism and attention to detail is admirable. CalAm’s active outreach demonstrates awareness of consumers’ preferences to support companies that align with their values.”

–Melanie Rae, Founder + Author



### PROMOVENTURES (WBE - Apparel and Promotional Items)

Founded in San Diego in 2001, PromoVentures is proud to be a WBEC & WOSB certified woman-owned small business. Branding is more than just printing logos on products. It’s about the personal touch and building sincere relationships. With 30+ years in the apparel industry, CEO Lee Anne Davis leads a team of bright and creative marketing professionals with the single focus of building your brand. We have quality art, embroidery and screen-printing & heat-transfer capabilities for quick-turn apparel decorating and have thousands of options for custom logo promotional items.

“Our bonus capability is to create custom websites with logoed items that we customize and fulfill. Ed and I met at the WBEC West conference in Palm Desert in September 2018. Ed Simon introduced us to Robert and Matt and the team at the California American Water Imperial Beach office and as a result, we created a customized company store for them for online ordering for embroidered caps, screen-printed t-shirts, safety wear, etc. We love working with Ed and the Imperial Beach team. We appreciate the opportunity to work with California American Water. Ed has been wonderful to work with and he invited me to the American Water conference in Sacramento in 2019. It was a great event and I met many of the other executives at California American Water.”

–Lee Anne Davis, Owner



### PIVOTAL ADAPTIVE SERVICES (MENTOR PROTÉGÉ)

Pivotal Adaptive Services, a veteran-owned company specializing in utility asset management, has had the honor and opportunity to partner with California American Water.

“Our company was introduced to Edward Simon during a 2019 Small Business Working Group held at California’s capital in Sacramento. Following that event, Ed took great interest in our company and became a focal point of our networking success and eventually contractual success with California American Water. Ed’s introduction to California American Water’s GIS/Engineering division set us up for an awarded multi-year MSA contract, 2019/2020 Mentor Protégé selection, and the completion of the CWA’s inaugural 2019 W.A.T.E.R. Program course. As the Mentor Protégé, we have gained insight on how a large water utility operates in accordance with standards and mandated directives ensuring that customers receive the best water service that California American Water offers. Currently we are providing construction support for California American Water’s New Business division and look forward to our continued partnership with California American Water.”

–David Ramil, President



### LOS ANGELES GAY LGBTQ CHAMBER OF COMMERCE (LGBTBE)

“The Los Angeles LGBTQ Chamber of Commerce values its partnership with California American Water. As one of the first utility companies to engage with the LAGLCC after the signing of AB1678, California American Water continues to support the LAGLCC. Their support assists the chamber in creating quality programming and technical assistance to ensure LGBT Business Enterprises have the resources necessary to compete for utility contracts. In addition to performing independent panels to identify strategies to increase LGBT spend, a representative from California American Water also sits on the LAGLCC board to provide consistent input on how the LAGLCC can be the best resource for supplier diversity executives in general and the utilities in particular.”

–Marquita Thomas, Executive Director

# 2019 HIGHLIGHTS



**O2EPCM, Inc.**

## **O2EPCM (WBE)**

O2EPCM, Inc. dba O2 Engineering, Projects & Construction Management is a 100% minority woman owned company. We are a certified SBE, DBE, WBE, WOSB, MBE, LSBE, LSBE, CBE and SAM registered firm that provides professional, technical and consulting services in the

Engineering, Design and Construction Industry. We are a professional management technical consulting firm that helps manage Engineering, Design and Construction Projects. We provide full-service program/project/construction management, project controls, Quality Assurance/Quality Control Management, inspection and staffing/staff augmentation services to local, state, federal government agencies and private clients.

“I met Ed Simon during a California American Water supplier event in 2017. Working with Ed Simon and the Cal Am team is an honor and a blessing. The team genuinely cares about the success of O2EPCM and the small business community. We appreciate it and truly enjoy working with the team. Thank you for the opportunity. We hope to continue having a successful long-lasting relationship with the Cal Am team. We are grateful for the following ongoing contract opportunities given to O2EPCM and would like to continue supporting Cal Am projects:

- An Agreement for Consulting Services executed on September 16, 2019.
- Purchase Order for \$60,000 from San Diego District on October 3, 2019.
  - » Providing Inspection Services for various Water Main Construction projects.
- Purchase Order for \$24,000 from Ventura District on December 5, 2019.
  - » Providing Inspection Services for various Water Main Construction projects.”

—Omoné O. Livingston, MSCE, CCM, PMC, CMC, ENV SP, President & CEO



## SECTION 9.1.1 - Description of WMDVLGBTBE Program Activities During the Previous Calendar Year

CALIFORNIA AMERICAN WATER (CAW) continued its efforts to promote and engage both internal and external stakeholders in 2019. The following describes internal and external highlights and activities, including key meetings, areas of focus, and outreach events.

**34.69%**  
2019 DIVERSE SPEND

We are proud to have exceeded the CPUC diverse spend goal of 21.5% and our short-term goal of 23% with a total diverse spend of 34.69% in 2019. As our program continues to mature, we hope to build and improve upon this result.



From L to R: LARRY WOOTEN, Sr. Manager for Supplier Diversity, American Water; AZZIZA DAVIS GOINES, President/CEO, Sacramento Black Chamber of Commerce; and ED SIMON, Director of Supplier Diversity, California American Water

**DIVERSE SPEND**  
for the past **5 YEARS**

Year	Net Procurement	Total WMDVLGBTBE Spend	Percentage
2019	\$94,533,546	\$32,792,170	34.69%
2018	\$99,118,256	\$27,188,944	27.43%
2017	\$107,286,095	\$32,273,704	30.08%
2016	\$78,357,481	\$25,208,404	32.17%
2015	\$93,785,103	\$22,563,227	24.06%

# 2019 HIGHLIGHTS

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### NEW DIVERSE SUPPLIERS

In 2019, we added 12 new diverse suppliers (3 MBEs, 5 WBEs, 1 WMBE, and 3 DVBEs), and all have performed work for California American Water.



#### NEW 2019 SUPPLIERS

- ★ AUTOMOTIVE RENTALS, INC. DBA ARI (WBE)
- ★ DOCUEVIDENCE, INC. (MBE)
- ★ WEED MANAGEMENT COMPANY (MBE)
- ★ SDI PRESENCE LLC (MBE)
- ★ BLACK BOX SAFETY (DVBE)
- ★ PROMOVENTURES, INC. (WBE)
- ★ CATCHING H2O, INC., DBA H2OME (WBE)
- ★ O2EPCM, INC. (WMBE)
- ★ PIVOTAL ADAPTIVE SERVICES (DVBE)
- ★ GRANITE CHEMICAL SERVICES, LLC (WBE)
- ★ UNITEC DISTRIBUTION SYSTEMS (WBE)
- ★ COOKSON ENTERPRISES (DVBE)

#### CAPACITY DEVELOPMENT: DIVERSE SUPPLIERS BECOMING LARGER PRIME SUPPLIERS

We track the number of all vendors/suppliers with a spend of \$100k or greater. As of December 2019, there were 92 vendors that met this criteria. We are pleased to report that of the 92 vendors with a spend greater than \$100k, 28 vendors are diverse (that's 30.4%) which include the following Supplier Clearinghouse certified diverse suppliers: Hal Hays, Innocenti, SR Diversified, Doty Brothers, Rodpaz, Rawles Engineering, Premiere Solutions, and Manolatos Nelson Murphy, Inc. (dba BNA Communications, Inc.) just to name a few. The following includes additional diverse suppliers from this list:

- ★ JOHNSON CONSTRUCTION
- ★ H2O URBAN SOLUTIONS, INC.
- ★ GRADE BREAK ENGINEERING, INC.
- ★ COOKSON ENTERPRISES, INC.
- ★ CASTLE ELECTRIC AND BUILDERS, INC., DBA LYDEN ELECTRIC
- ★ ROBERT BRKICH CONSTRUCTION CORP.
- ★ VALENTINE ENVIRONMENTAL ENGINE
- ★ SAFEWORK, INC.
- ★ MCCABE & COMPANY
- ★ MARIPOSA LANDSCAPES, INC.
- ★ ZUBER, LAWLER & DEL DUCA, LLP
- ★ UTILITY CONSULTING GROUP, LLC
- ★ CUSTOM CARE SERVICES
- ★ L S & G ELECTRICAL CONTRACTORS
- ★ BLAIR CHURCH & FLYNN CONSULTING
- ★ WATER SYSTEMS CONSULTING
- ★ PIVOTAL ADAPTIVE SERVICES, INC.
- ★ JOHNSON CONSTRUCTION ENTERPRISE
- ★ TNT INDUSTRIAL CONTRACTORS

## 2019 INTERNAL ACTIVITIES AND OUTREACH

At CAW, we strive to engage in meaningful and productive internal activities/projects and external outreach events that yield results. We hold our own company-specific efforts, while also collaborating with CWA and other Joint Utilities (those in other sectors such as gas, electric, telecom and cable). The following pages detail some key activities/strategies as well as outreach efforts.

- New Internal Supplier Diversity Online Marketplace (Pg. 12)
- Expanded mentor protégé program - Partnering Forward for Success (Pg. 12–13)
- Continued our Community Based Organizations (CBOs) sponsorship and increased our engagement (Pg. 14)
- Set the foundation to increase use of prime contractors (now Committed Corporations) and their use of sub-contractors (now Partners) and continued monitoring performance (Pg. 15)
- Enhanced our technical assistance and capacity-building assistance (Pg. 15–18)
- Continued (internal and external) reporting efficiency (Pg. 18)
- Continued annual supplier diversity showcase events (Pg. 19)
- Set foundation to take a deeper dive into previous years' internal supplier diversity survey (Pg. 20)
- Our parent company, American Water, increased its supplier diversity efforts/focus AND developed a roadmap/journey to continue efforts to be an inclusive and diverse organization (Pg. 20)
- California American Water supplier diversity and other team members were nominated and recognized for their diversity and inclusion efforts (Pg. 22)

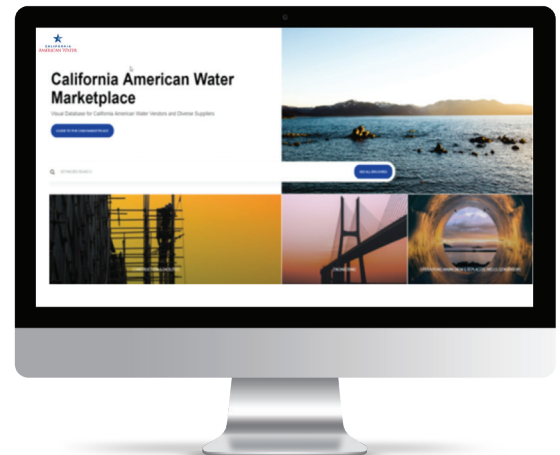
# 2019 HIGHLIGHTS

## NEW INTERNAL SUPPLIER DIVERSITY ONLINE MARKETPLACE

California American Water is looking to transform how our internal buyers find, learn about and engage diverse suppliers.

In partnership with Brojure, a woman-owned information technology company, in March we launched an internal site that team members can use to search for diverse suppliers. This technology platform takes our data out of spreadsheets and into visual digital content that elevates each DBE's brand. The California American Water Marketplace (CalAmWaterMarketplace.com) is a visual database of diverse suppliers and vendors who have been or currently are successful suppliers of California American Water. This database contains individual profiles for current and potential vendors.

Each profile contains company data, products and services, core capabilities, industry experience, and current or past contracts with California American Water. These individual vendor profiles help promote each company's services internally for future business opportunities with California American Water. We started with a pilot of 50 diverse vendors. We also gifted subscriptions to all diverse vendors who attended our Annual Supplier Diversity Showcase, which increased our site to approximately 100 diverse suppliers.



## EXPANDED MENTOR PROTÉGÉ PROGRAM - PARTNERING FORWARD FOR SUCCESS

Using a model developed by Chicago United Five Forward Program, California American Water continued its partnership with Chicago United and SDI Presence to roll out its new mentor protégé program.



Partnering Forward for Success Training Day



Partnering Forward for Success Committed Corporations, American Water, and California American Water team members



This program will engage non-diverse primes in California American Water's efforts to increase its prime supplier use of diverse vendors. Through our partnership with Chicago United in the development of the program, we endeavor to rid ourselves of terms like "Prime Suppliers" and "Subcontractors," which denote one being superior over the other. Moving forward, we are using "Committed Corporations" to replace "Prime Suppliers" and "Partners" to replace "Subcontractors."

In May, California American launched our Partnering Forward for Success Program in partnership with Chicago United and with support of MBE-owned managed IT services firm SDI Presence. Our operations and engineering leads along with our seven Committed Corporations attended the kick-off training. The Committed Corporations each agreed to mentor a Supplier Clearinghouse Certified MBE starting January 1, 2020.

We invested the remainder of 2019 and the first couple of months in 2020 preparing our Committed Corporations and Partners (MBE/DBEs) for this five-phase process. Committed Corporations and MBE/DBEs are listed below.

COMMITTED CORPORATIONS (PRIMES)	MBE SELECTED
<ul style="list-style-type: none"> <li>▪ AECOM</li> <li>▪ Cal Sierra</li> <li>▪ CDM Smith</li> <li>▪ Crosnos Construction</li> <li>▪ Garney Pacific</li> <li>▪ Hal Hays*</li> <li>▪ MPE</li> <li>▪ Premiere Solutions*</li> <li>▪ Rawless Engineering*</li> <li>▪ Spiess Construction</li> <li>▪ SR Diversified*</li> </ul>	<ul style="list-style-type: none"> <li>▪ Denise Duffy and Associates, Valentine Engineering and Polaris Consulting</li> <li>▪ DI Industrial Coatings, Inc.</li> <li>▪ R&amp;W Concrete and California Aquastore Tanks &amp; Domes</li> <li>▪ M3 Construction, Inc.</li> <li>▪ Aqueous Vets</li> <li>▪ Westland Group and Civil Engineering Company</li> <li>▪ Aqueous Vets and Traffic Management</li> <li>▪ American Truck and Trailer</li> <li>▪ Trench and Traffic Supply</li> <li>▪ Simpson Sandblasting and Special Coatings</li> <li>▪ TBD</li> </ul>

\* Diverse prime supplier

The program continues to demonstrate California America Water's commitment to diversity and inclusion through our supplier diversity program.

# 2019 HIGHLIGHTS

## CONTINUED OUR COMMUNITY BASED ORGANIZATIONS (CBOs) SPONSORSHIP AND INCREASED OUR ENGAGEMENT

We continued to support/sponsor state and local CBOs through our generous sponsorships totaling over \$40,000. The following provides a list of some of our sponsorships:

- **VETERANS:** Veterans in Business (VIB) and United States Veterans Business Alliance (USVBA)
- **AFRICAN AMERICAN:** California Black Chamber of Commerce and Black Business Association
- **ASIAN AMERICAN:** Los Angeles Asian Business Association (ABA)
- **LGBT:** Los Angeles Gay & Lesbian Chamber of Commerce (LAGLCC) and Sacramento Rainbow Chamber of Commerce

Ed Simon was elected and sworn into the Sacramento Rainbow Chamber Board of Directors in September 2018. In 2019, Simon was named Asian Business Association Advisory Board Chair and elected to the Los Angeles Gay & Lesbian Chamber of Commerce Board of Directors. He also joined the National Center for American Indian Economic Development (NCAIED) Advisory Council Board.

In addition, we partnered with several CBOs through events such as:

- Los Angeles Gay & Lesbian Chamber of Commerce Construction Services Supplier Session which included California American Water, Frontier Communications, and SoCal Gas.
- California Water Association Combined CBO Meeting the day before En Banc in Fresno to discuss our continued sponsorship and what we would like to see different moving forward.
- Sacramento Rainbow Chamber of Commerce Three Chamber Event where Ed Simon moderated a panel on Working with Regulated Utilities.



From L to R: TIM MACLAUGHLIN, San Jose Water; DRISHA MELTON, California Public Utilities Commission; ED SIMON, California American Water; and JEANNETTE DIAZ, San Gabriel Valley Water



October CWA CBO Meeting Day Before CPUC En Banc



November USVBA Keeping the Promise Conference

## SET THE FOUNDATION TO INCREASE USE OF PRIME CONTRACTORS (NOW COMMITTED CORPORATIONS) AND THEIR USE OF SUBCONTRACTORS (NOW PARTNERS) AND CONTINUED MONITORING PERFORMANCE

Through our parent company's use of B2GNow System, we've automated our Tier Two Reporting System and are using this system to identify which Committed Corporations are using Partners and which are not. In 2019, we started sending email reminders and completed outbound calls to Committed Corporations when no response is received and/or when their use of Partners falls short of their commitment included in their Diverse Business Enterprise Statement and contract.

In January, we conducted a webinar for all prime suppliers focused on increasing use of subcontractors and their use of Supplier Clearinghouse certified suppliers. The one-hour webinar highlighted:

- The importance of our subcontractor program and how the prime suppliers are key to its success.
- The need for primes to utilize Supplier Clearinghouse vendors.
- The process vendors can use to search the Supplier Clearinghouse database and how to contact CAW staff if assistance is needed.

## ENHANCED OUR TECHNICAL ASSISTANCE AND CAPACITY BUILDING ASSISTANCE

Working with the California Water Association (CWA) member companies and other joint utilities, we continued to participate (providing financial support and resources) in various programs and workshops to educate existing and prospective vendors on the water industry and the skills small businesses need to be successful. We also engaged our sponsored CBOs in our Technical Assistance and Capacity Building efforts, including our new relationship with Sacramento PTAC. Ed Simon played an integral role in the implementation of CWA's Inaugural 2019 W.A.T.E.R. (Water Acumen Training for Entrepreneurship Refinement) Certification Program, which was developed to provide DBEs with increased knowledge of the water industry and what's required to work with regulated investor-owned water utilities.



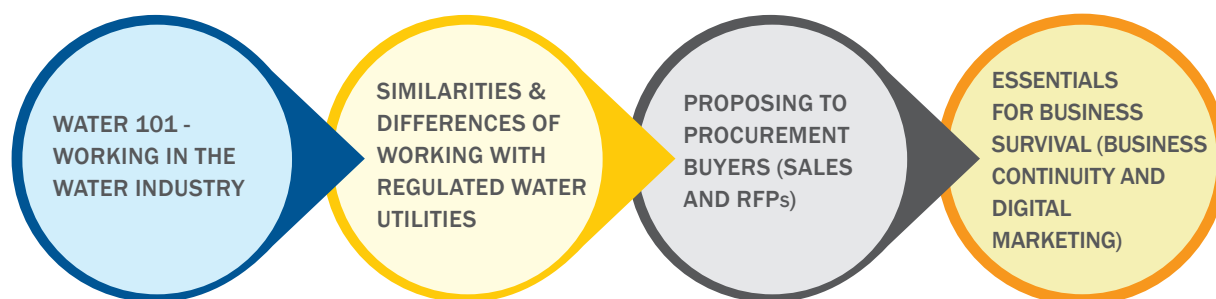
From L to R: Prime Suppliers, Monterey Peninsula Engineering, CDM Smith, and Garney Pacific; TIM O'HALLORAN, ED SIMON and JAY DREWRY, California American Water



# 2019 HIGHLIGHTS

The following provides a few additional Technical Assistance and Capacity Building efforts made in 2019:

- **HOSTED WATER SUPPLY PROJECT SUPPLIER DIVERSITY EVENT** – We held our first Water Supply Project Supplier Diversity Event at our Pacific Grove office in February in partnership with our prime suppliers CDM Smith, Garney Pacific, and Monterey Peninsula Engineering. Over 30 diverse vendors attended the event.
- **CONDUCTED WEBINAR** – In partnership with Diversity Professional Magazine - Doing Business with California American Water.
- **CONTINUED OUR MENTOR PROTÉGÉ PROGRAM** – During Q3, we selected Pivotal Adaptive Services as our 2019/2020 Mentor Protégé. Our senior leadership team invested a day meeting with Pivotal's CEO and COO to discuss the water business and how we will support them. We are meeting with Pivotal monthly to discuss results from using their services and to answer any questions they may have regarding working with us. Their success story was posted on Sacramento California Capital Procurement Technical Assistance website (<https://www.cacapital.org/about-us/success-stories>).
- **LAUNCHED** – California Water Association Water Acumen Training for Entrepreneurship Refinement (W.A.T.E.R.) Class.
  - » As a member of CWA's Supplier Diversity Committee, we take a collective approach to Capacity Building & Technical Assistance by pooling resources, and delivering a unified training program advancing suppliers through education and training.
  - » In 2019, we partnered with Melanie Rae (GUIDED™ Business Plan, Founder), to develop a training program with relevant content for participants. Before launching Guided Business Plan in 2009, Melanie Rae spent most of her career simplifying concepts and relating them back to adults so they could perform their jobs better. She has a lens for translating concepts into relevant content to her audience. She starts with the desired outcome, and develops curricula to show immediate results.
  - » Using a building-blocks approach, we developed a four-module study course:



- » The training sessions called for collaboration among member-utilities, sharing best practices and insights for engaging key decision makers. We delivered sixteen training hours to 24 current and prospective diverse suppliers through quarterly workshops (March 8, June 6, September 6, November 22) at Suburban Water Systems in Covina.



DANNY RODRIGUEZ,  
Liberty Utilities  
and ED SIMON,  
California American  
Water with CWA  
W.A.T.E.R. class  
participants



CWA W.A.T.E.R.  
class participants  
raised their hands  
to indicate they were  
awarded contracts  
with one or more  
of the seven CWA  
utilities



## 2019 HIGHLIGHTS

- On November 22, CWA held its fourth and final W.A.T.E.R. class for 2019 at which 15 of the 19 MBEs received their certificate and award as our inaugural cohort. Four graduates were not present, but later received their certificate.
- The W.A.T.E.R. training program was a success. Participants were surveyed to assess the program's design, if new knowledge was gained and to determine if additional contracts were confirmed. Here are the results:



**55%**

**ADDITIONAL CONTRACTS**

Our training program translated into new contracting opportunities for participants. On a mid-program survey, **55% of respondents confirmed getting additional contracts** with member-utilities, or the water association since starting the program.



**78%**

**GAINED NEW KNOWLEDGE**

In terms of new knowledge gained, data from surveyed participants supports our building-blocks approach. We received **strong agreement from 78% of respondents** regarding:

- overall learning
- similarities/differences of the member-utilities
- goods/services we procure



**100%**

**SESSION DURATION: JUST RIGHT**

Participants surveyed rated the program's structure very positively with **100% of respondents agreeing duration was just right.**



**95%**

**# OF SESSIONS: JUST RIGHT**

The program's content also rated positively with **95% of respondents agreeing the number of training sessions was just right.**

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### CONTINUED (INTERNAL AND EXTERNAL) REPORTING EFFICIENCY

We continued working with our parent company supplier diversity team to enhance our use of B2GNow automated reporting system. We completed the Tier Two Reporting Process and in late 2019 started the second phase of the project to identify requirements to automate development of the G0156 Reporting Templates. Also, mid-year 2019, we implemented local district reporting to educate local team members on their results.

## CONTINUED ANNUAL SUPPLIER DIVERSITY SHOWCASE EVENTS

California American Water held its 3rd Annual Supplier Diversity Event in our Northern Division on May 21, 2019. The two-day event attracted 43 DBEs and over 100 participants from across the state to showcase their goods and services and received one-on-one informational sessions with company and affiliated leadership team members. Various educational presentations were provided as well. Our Annual Supplier Diversity Event continues to be such a big draw to diverse vendors that we had a waiting list again in 2019.

California American Water and American Water operations, engineering, legal, external affairs leads and our Prime Suppliers invested their day networking and meeting one-on-one with MBEs. Hal Hays (safety) and Garney Pacific (Tier Two) received American Water Awards. Sydni Craig-Hart (WMBE) delivered an amazing keynote - Show vs Tell. Sydni provided steps MBEs can use to show prospective clients versus simply telling them what they do. The Sacramento Black Chamber, USVBA, CPUC and WBEC-Pacific were also in attendance. Joy Experience, a woman-owned company, continues to coordinate our event.



Supplier Diversity event photos. Far right, Garney Pacific (Committed Corporation), received American Water's Tier Two award for their use of diverse partners.



# 2019 HIGHLIGHTS

## SET FOUNDATION TO TAKE A DEEPER DIVE INTO PREVIOUS YEARS' INTERNAL SUPPLIER DIVERSITY SURVEY

In 2018, we created and launched an internal diverse supplier survey. We strive to provide our procurement team members with vendors that provide quality products and services at reasonable prices while understanding small, diverse businesses may not always be the lowest cost providers. We do, however, want to make certain the level of service they provide is meeting internal team members' expectations. 83% of internal procurement team member respondents were satisfied with the DBEs and 75% of DBEs received a satisfied rating. In late 2019, we partnered with Client Confidant, a Disability:In company, to take a deeper dive into our results to follow-up on internal responses as well as to interview diverse suppliers regarding what they think about working with California American Water. See more information in our 2020 Plan highlights.

## OUR PARENT COMPANY, AMERICAN WATER, INCREASED ITS SUPPLIER DIVERSITY EFFORTS/FOCUS AND DEVELOPED A ROADMAP/JOURNEY TO CONTINUE EFFORTS TO BE AN INCLUSIVE AND DIVERSE ORGANIZATION

- **HOSTED FIRST ANNUAL NATIONAL SUPPLIER DIVERSITY SUMMIT:** The summit was held at American Water HQ in Camden, NJ, and offered attendees the opportunity to educate themselves on the benefits of supplier diversity and provided an opportunity for diverse businesses to build relationships with key stakeholders from across the company. Over 200 attendees, both internal and external stakeholders (diverse businesses), attended.
- **FIVE-YEAR PROGRESSIVE GOAL STRATEGY IMPLEMENTED AT THE STATE LEVEL:** In 2019 the national supplier diversity team rolled out goals for each state for a 5-year period to increase spend with certified diverse suppliers.
- **HELD PRIME SUPPLIER "RELATIONSHIP BUILDING EVENTS" IN TARGETED STATES:** The fact that supplier diversity is the responsibility of all, American Water felt the need to share with our prime suppliers to ensure they understood the importance and commitment. During the meetings the national team educated our primes on the benefits of supplier diversity, shared resources available to the primes and provided an overview of the Tier Two reporting tool. These helped ensure primes understood American Water viewed them as partners in the journey to success.
- **ENHANCED TIER TWO REPORTING TOOL:** American Water contracted with a third party to manage the Tier Two reporting to assist both prime suppliers and internal staff. This update has reduced the amount of administration time updating spend data.



- **AWARDS AND RECOGNITION:** It is important to be recognized by peers and advocacy groups for the good work you do daily, if for no other reason than to demonstrate to the internal team that supplier diversity is not just an initiative of American Water, but other well-respected organizations view this as a business imperative.
  - » Nominated for “Corporation of the Year” by the Eastern Minority Supplier Development Council (EMSDC)
  - » Selected as Bronze winner “America’s Top Corporation” for Women Business Enterprises by The Women’s Business Enterprise National Council (WBENC)
  - » Senior manager of Supplier Diversity selected as “Top 30 Supplier Diversity Professionals” by Diversity Plus Magazine
  - » Featured in MBN USA salute to 2019 All-Stars of Supplier Diversity
- **EXTERNAL COMMUNICATIONS:** We enhanced our external web pages to include vital information about our national supplier diversity strategy and to include frequently asked questions suppliers and internal stakeholders have regarding doing business with American Water through our national supplier diversity programming.

# 2019 HIGHLIGHTS

## CALIFORNIA AMERICAN WATER SUPPLIER DIVERSITY AND OTHER TEAM MEMBERS WERE NOMINATED AND RECOGNIZED FOR THEIR DIVERSITY AND INCLUSION EFFORTS

CAW was recognized by its peers and CBOs for its efforts including diverse suppliers in our procurement processes and for our 2019 results. We were recognized by the following organizations:

- OUR PARENT COMPANY, AMERICAN WATER: Ed Simon named Advocate of the Year and California American Water was named Business Unit of the Year.
- ASIAN BUSINESS ASSOCIATION: Ed Simon was named 2019 Corporate Advocate of the Year.
- Kevin Tilden, California American Water Vice President, received one of the 2019 LGBTQ Caucus Pride Recognition Awards.
- CAW was nominated for the Southern California Minority Supplier Diversity Council's Corporation of the Year and received the Winner Circle Award.
- Ed Simon was nominated for National Association Water Companies, "Living Water Awards."
- Featured in Diversity Professional Magazine's Fall 2019 Issue, highlighting our May 2019 Supplier Diversity Showcase; our great partnership with our parent company, American Water; and our inaugural Partnering Forward for Success Program ([https://www.mydigitalpublication.com/publication/frame.php?i=625932&p=&pn=&ver=html5&view=articleBrowser&article\\_id=3502662](https://www.mydigitalpublication.com/publication/frame.php?i=625932&p=&pn=&ver=html5&view=articleBrowser&article_id=3502662)).

Overall 2019 was a successful year for the California American Water supplier diversity program, but we have much work to do to continue the progress to ensure diverse suppliers are given every opportunity to compete for American Water business.



ED SIMON receiving the ABA Corporate Advocate of the Year award

## 2019 INTERNAL ACTIVITIES AND OUTREACH

At CAW, we strive to engage in meaningful and productive internal and external outreach events. We coordinate our own company-sponsored events while also collaborating with CWA and other joint California regulated utilities. The following lists the outreach events California American Water attended:

### STANDING MEETINGS/OUTREACH

#### MONTHLY

- CWA Utility Supplier Diversity Committee Meetings (CAW hosted two meetings)
- CAW Supplier Diversity Council Meetings
- Mentor Protégé (Pivotal Adaptive Services) Meetings
- Inclusion and Diversity Local Office Champions Meetings
- Sacramento Rainbow Chamber Board of Directors Meetings

#### QUARTERLY

- Joint Utilities Meetings (CAW hosted one meeting)
- Asian Business Associations (ABA) Advisory Council Meetings (LA Area)

### JANUARY

- Asian Business Association Annual Planning Meeting: California American Water Hosted (San Diego)
- Prime Supplier Training: Subcontracting and Use of Supplier Clearinghouse Certified Suppliers (webinar)

### FEBRUARY

- Prime Supplier Training: Subcontracting and Use of Supplier Clearinghouse Certified Suppliers (webinar)
- CWA and CA PTAC Working with Regulated Water Utilities Workshop (Sacramento)
- CAW Meet-the-Primes Water Supply Project: CDM Smith, Garney Pacific, and MPE (Monterey)

### MARCH

- Monterey Bay PTAC Meeting (conference call)
- Chicago United and SDI Presence Planning Meeting (San Diego)
- CWA W.A.T.E.R. Class #1 (Covina)
- Women's Business Enterprise Network (WBEN) National Conference (Houston, TX)
- Western Business Alliance: GBA - LGBT Summit (Los Angeles)
- MARCH 18/19: Launch California American Water Internal Marketplace (webinar)
- National Associations Women Business Owners (NAWBO) Appreciation Events (San Diego)
- NCAIED National Conference RES (Regional Economic Summit), (Las Vegas, NV)

# 2019 HIGHLIGHTS

## APRIL

- CPUC/Joint Utilities Business Expo (Pomona)
- Diversity Professional Magazine Women of Excellence Awards (Fontana)
- NAWBO Choosing to Own It Conference: California American Water Sponsor (Sacramento)

## MAY

- Elevating Diverse Suppliers: California American Water Transforming How DBEs are Discovered (webinar)
- WBEN Orange County and San Diego Platinum Supplier Program Presentation Skills (Irvine)
- American Water Inaugural Supplier Diversity Summit (Camden, NJ)
- United States Veterans Business Alliance (USVBA) Keeping the Promise (Temecula)
- California American Water's Committed Corporations (Prime Supplier) Partnering Forward for Success Program Kick-Off (Sacramento)
- California American Water's Annual Supplier Diversity Showcase (Sacramento)



From L to R: MELANIE RAE, Guided Business Plan; ED SIMON; and SUMMER SEPULVEDA, Joy Experience at American Water's Inaugural Supplier Diversity Event, May 2019

## JUNE

- CWA Meet-the-Primes Event (Downey)
- 2nd CWA W.A.T.E.R. Class (Covina)
- Three Chamber Event: Sacramento Black Chamber, Rainbow Chamber, and Hispanic Chamber of Commerce's (Sacramento)
- California American Water Partnering Forward for Success Onboarding (webinar)



## JULY

- Sacramento Rainbow Chamber of Commerce Board of Directors Strategy/Planning Meeting (Sacramento)
- Local Chamber Collaborative: Diversity Hiring Laboratory (Sacramento)
- Asian Business Association: Meet the Honorees (Los Angeles)
- Asian Business Association: Advisory Council Meeting (Los Angeles)
- Pacific Southwest Minority Supplier Diversity Council Supplier and Workforce Diversity Summit (San Diego)

## AUGUST

- National Gay & Lesbian Chamber of Commerce Annual Conference (Tampa, FL)
- Diversity Professional Magazine: Doing Business with California American Water (webinar)

## SEPTEMBER

- California American Water Mentor Protégé Kick-Off Meeting with State Leadership Team (San Diego)
- 3rd CWA W.A.T.E.R. Class (Covina)
- California American Water Inclusion and Diversity Day
- Service-Disabled Veterans (Utilities Based Summit), (Downey)

## OCTOBER

- CWA Community Based Organizations Meeting (Fresno)
- 2019 CPUC En Banc (Fresno) Community of Inclusion & Equity Symposium (Burns & McDonell), (Brea)
- Asian Business Association 43rd Annual Awards Banquet (Pasadena)
- Frontier, SoCal Gas, and California American Water LGBT Workshop (West Hollywood)
- Veterans in Business Annual Conference (San Diego)

## NOVEMBER

- Hosted Sacramento Rainbow Chamber of Commerce Meeting (Sacramento)
- American Water Inclusion Starts with Me Day
- National Diversity Council: Diversity Professional Certification Course
- USVBA Turning Contracts into Contracts (Long Beach)
- 4th CWA W.A.T.E.R. Class: Graduation (Covina)

## DECEMBER

- CWA Annual Planning Meeting (Newport Beach)

# 2019 HIGHLIGHTS

## CALIFORNIA WATER ASSOCIATION - MEET THE PRIMES

Meet the Primes is an annual event bringing together prime contractors and diverse suppliers for discussions on subcontracting opportunities. While the event is focused on subcontracting, we also meet suppliers capable of direct work.



For 2019, we partnered with Southern California Gas Company, and co-hosted at the Energy Resource Center in Downey, CA. The event included 60-second capabilities presentations from diverse suppliers, followed by project-focused discussions on current Tier-1 and Tier-2 needs. Finally, each participating water utility and Southern California Gas Company presented upcoming projects and sourcing needs.



Our 2019 event proved successful on different areas:

- FORTY-TWO DIVERSE SUPPLIERS ATTENDED, representing a variety of industries including: construction, consulting services, and personnel training.
- THIRTY-SIX CAPABILITIES PRESENTATIONS from diverse suppliers were delivered to prime contractors, and decision makers.
- ONE HUNDRED ONE-ON-ONE MEETINGS were hosted by CAW for extended discussions on suppliers' value propositions.
- NINETY-THREE (OUT OF ONE HUNDRED) NET PROMOTER SCORE (NPS) was captured by post-event surveys. NPS is a measure of attendees' willingness to recommend the event to someone. A high score correlates with high satisfaction.

We'll continue tracking developments from this event to quantify contractual opportunities.

## CALIFORNIA AMERICAN WATER ATTENDS ANNUAL CPUC EN BANC

Annually, the PUC hosts its En Banc Meeting. This year's meeting was held in Fresno, CA. Rich Svindland, California American Water's president, was asked to participate on the Workforce and Economic Impact Panel.



RICH SVINDLAND, President, California American Water (3rd from left) testifies at CPUC En Banc



MARYBEL BATJER, CPUC President, ED SIMON, and RICH SVINDLAND at CPUC En Banc Event sponsored by Native American MBE Blair Church and Flynn

# 2019 HIGHLIGHTS

## ENHANCED LOCAL DISTRICT CHAMPIONS SUPPORT – NOW: INCLUSION AND DIVERSITY CHAMPIONS

In 2018, we increased engagement at local offices by implementing Local District Supplier Diversity Champions. Nine employees across the state received in-depth training on General Order 156 and supplier diversity and inclusion. The Champions were asked to serve a two-year term. The focus was to make certain local employees had a local champion they could engage in their diversity efforts. The Champions play an active role in sharing information about supplier diversity and engaging CAW Supplier Diversity Leaders in diversity and inclusion efforts in day-to-day operations.

In 2019, we asked these same team members to not only focus on supplier diversity but to enhance their focus to include our overall Inclusion and Diversity efforts which include supplier diversity. These champions agreed to do so without hesitation.

Their increased focus includes acting as local Champions communicating key Inclusion and Diversity messages, areas of focus, and coordination of various events. Demetrio Marquez is the California American Water Council Lead. Ed Simon, is the California Lead Champion.

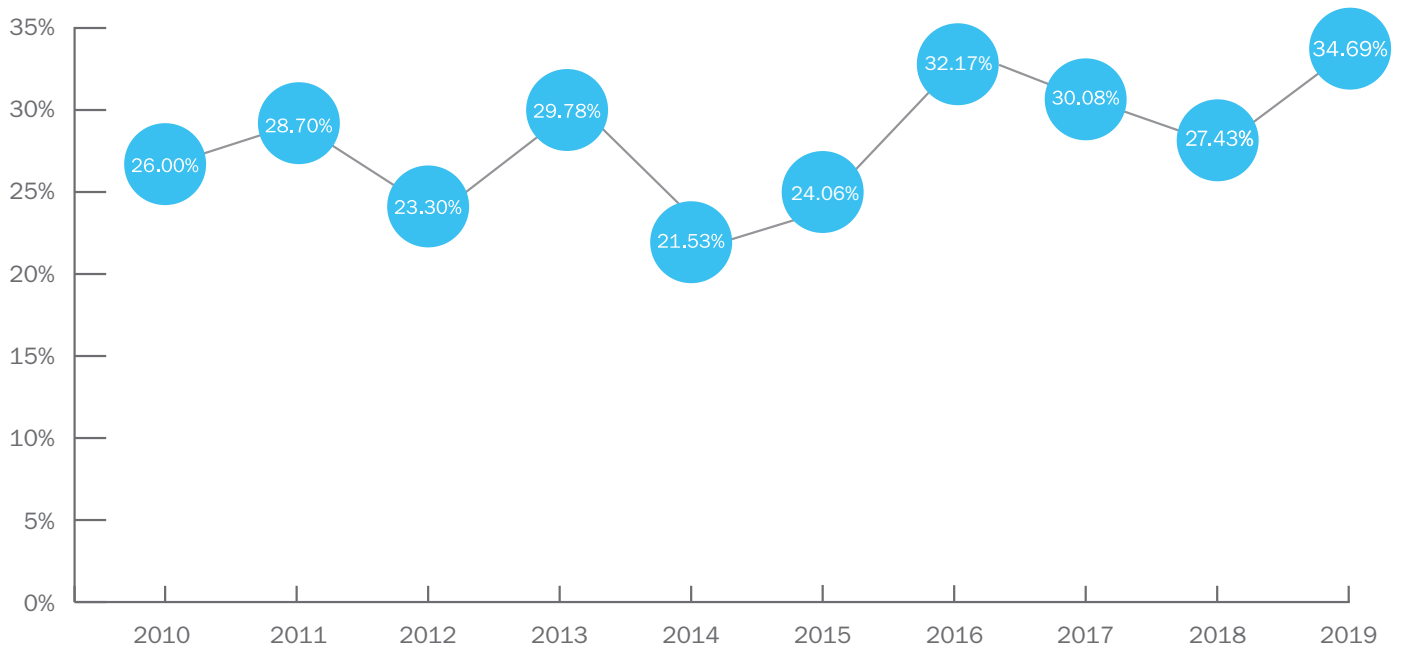
The Inclusion and Diversity Champions are:

- Laura Gonzales and Kevin Flint – Sacramento
- Tena M. Hanford – Larkfield
- Eric J. Bennett – Ventura
- Geoff Williamson – Rosemead
- Stacey A. Fulter – San Diego
- Cristina Maria Saldaña – Imperial Beach
- Alissa M. Kispersky – Monterey
- Demetrio A. Marquez – San Francisco (California Lead - American Water Inclusion and Diversity Council)

The key responsibility of each Inclusion and Diversity Champion is to be the eyes and ears for diversity and inclusion for their local office. They will be expected to listen, share, answer questions, advocate for inclusion of diverse suppliers, assist with overall inclusion and diversity efforts, and escalate issues and concerns.



## YEAR END SUPPLIER DIVERSITY RESULTS



## 2019 HIGHLIGHTS

### DEVELOPED AND SIGNED MASTER SERVICE AGREEMENT WITH DIVERSE SUPPLIERS

In partnership with our Supply Chain Team (Jay Drewry and Mary Lou Ruiz) and local team members, we signed master service agreements with diverse vendors that can provide products and services in more than one of our service areas. This further demonstrates our commitment to expanding small diverse vendor footprints and our capacity building and technical assistance efforts. We have master service agreements with Innocenti, SR Diversified, Rawles Engineering, Valentine Engineering, Bellshire, Brkich, Doty Brothers, Gradebreak, and Hal Hays. In 2019, we added Rodpaz Brothers, Altitude, and Lyden Electric.

### CONTINUED STATE MONTHLY SUPPLIER DIVERSITY COUNCIL MEETING AND ADDED LOCAL DISTRICT CHAMPIONS MEETINGS

In 2015, we established a Supplier Diversity Council made up of functional leads from departments throughout the business, and we continued this collaboration in 2019. The Director of Business Performance and Supplier Diversity leads the Council. Members include functional leads from external affairs, operations, engineering, human resources, legal and supply chain. The Council meets monthly to discuss prior months' results and upcoming activities and to review procurement opportunities. This collaboration has proved beneficial to our efforts of improving our diverse culture as well as our spend results. In 2018, we added a second layer of diversity and inclusion team members focused on increasing local district team members' access to diversity and inclusion information and access to share results.

## SECTION 9.1.2A – WMDVLGBTBE Annual Results By Ethnicity

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY ETHNICITY – 2019					
MINORITY MALE	Ethnicity	Direct \$	Sub \$	Total \$	%
	Asian-Pacific	\$269,346	\$19,525	\$288,870	0.31%
	African American	\$2,935,703	\$75,235	\$3,010,938	3.19%
	Hispanic	\$3,785,856	\$173,264	\$3,959,120	4.19%
	Native American	\$9,427,822	\$0	\$9,427,822	9.97%
Total Minority Male		\$16,418,727	\$268,024	\$16,686,751	17.65%
MINORITY FEMALE	Asian-Pacific	\$277,690	\$0	\$277,690	0.29%
	African American	\$65,924	\$0	\$65,924	0.07%
	Hispanic	\$1,752,273	\$37,681	\$1,789,954	1.89%
	Native American	\$0	\$0	\$0	0.00%
Total Minority Female		\$2,095,887	\$37,681	\$2,133,568	2.26%
Total Minority Business Enterprise (MBE)		\$18,514,614	\$305,705	\$18,820,318	19.91%
Total Women Business Enterprise (WBE)		\$10,167,918	\$797,254	\$10,965,172	11.60%
Total Disabled Veteran Business Enterprise (DVBE)		\$563,639	\$1,957,269	\$2,520,908	2.67%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$485,772	\$0	\$485,772	0.51%
Total Other*		\$0	\$0	\$0	0.0%
Total Business Enterprises (WMDVLGBTBE)		\$29,731,943	\$3,060,227	\$32,792,170	34.69%
Net Procurement**		\$94,533,546			

# 2019 HIGHLIGHTS

## SECTION 9.1.2B – WMDVLGBTBE Procurement By Products & Services (Direct)

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – DIRECT – 2019							
	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
MINORITY MALE	Asian-Pacific	\$33,096	0.04%	\$236,250	0.25%	\$269,346	0.28%
	African American	\$0	0.00%	\$2,935,703	3.11%	\$2,935,703	3.11%
	Hispanic	\$6,382	0.01%	\$3,779,474	4.00%	\$3,785,856	4.00%
	Native American	\$0	0.00%	\$9,427,822	9.97%	\$9,427,822	9.97%
	<b>Total Minority Male</b>	<b>\$39,478</b>	<b>0.04%</b>	<b>\$16,379,249</b>	<b>17.33%</b>	<b>\$16,418,727</b>	<b>17.37%</b>
MINORITY FEMALE	Asian-Pacific	\$49,416	0.05%	\$228,274	0.24%	\$277,690	0.29%
	African American	\$7,280	0.01%	\$58,644	0.06%	\$65,924	0.07%
	Hispanic	\$0	0.00%	\$1,752,273	1.85%	\$1,752,273	1.85%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	<b>Total Minority Female</b>	<b>\$56,697</b>	<b>0.06%</b>	<b>\$2,039,190</b>	<b>2.16%</b>	<b>\$2,095,887</b>	<b>2.22%</b>
Total Minority Business Enterprise (MBE)		\$96,175	0.10%	\$18,418,439	19.48%	\$18,514,614	19.59%
Total Women Business Enterprise (WBE)		\$67,812	0.07%	\$10,100,106	10.68%	\$10,167,918	10.76%
Total Disabled Veteran Business Enterprise (DVBE)		\$17,776	0.02%	\$545,863	0.58%	\$563,639	0.60%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$485,772	0.51%	\$485,772	0.51%
Total Other*		\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Total Business Enterprises (WMDVLGBTBE)</b>		<b>\$181,763</b>	<b>0.19%</b>	<b>\$29,550,181</b>	<b>31.26%</b>	<b>\$29,731,943</b>	<b>31.45%</b>
<b>Total Product Procurement</b>		<b>\$181,763</b>					
<b>Total Service Procurement</b>		<b>\$29,550,181</b>					
<b>Net Procurement – Direct Products &amp; Services</b>		<b>\$94,533,546</b>					
<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>		<b>92</b>					

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



## SECTION 9.1.2C – WMDVLGBTBE Procurement By Products and Services (Subcontractors)

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – SUBCONTRACTORS – 2019							
	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
MINORITY MALE	Asian-Pacific	\$25	0.00%	\$19,500	0.02%	\$19,525	0.02%
	African American	\$0	0.00%	\$75,235	0.08%	\$75,235	0.08%
	Hispanic	\$594	0.00%	\$172,670	0.18%	\$173,264	0.18%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	<b>Total Minority Male</b>	<b>\$619</b>	<b>0.00%</b>	<b>\$267,405</b>	<b>0.28%</b>	<b>\$268,024</b>	<b>0.28%</b>
MINORITY FEMALE	Asian-Pacific	\$0	0.00%	\$0	0.00%	\$0	0.00%
	African American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic	\$0	0.00%	\$37,681	0.04%	\$37,681	0.04%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	<b>Total Minority Female</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$37,681</b>	<b>0.04%</b>	<b>\$37,681</b>	<b>0.04%</b>
Total Minority Business Enterprise (MBE)		\$619	0.00%	\$305,086	0.32%	\$305,705	0.32%
Total Women Business Enterprise (WBE)		\$779	0.00%	\$796,474	0.84%	\$797,254	0.84%
Total Disabled Veteran Business Enterprise (DVBE)		\$0	0.00%	\$1,957,269	2.07%	\$1,957,269	2.07%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Other*		\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Total Business Enterprises (WMDVLGBTBE)</b>		<b>\$1,398</b>	<b>0.00%</b>	<b>\$3,058,829</b>	<b>3.24%</b>	<b>\$3,060,227</b>	<b>3.24%</b>
<b>Total Product Procurement</b>		<b>\$1,398</b>					
<b>Total Service Procurement</b>		<b>\$3,058,829</b>					
<b>Net Procurement – Direct Products and Services</b>		<b>\$94,533,546</b>					

# 2019 HIGHLIGHTS

## SECTION 9.1.2D – WMDVLGBTBE Procurement By Standard Industrial Categories

SIC CODE	CATEGORY		ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
781	Horticulture Architectural Services	\$					\$189,780			
		%					0.20%			
782	Lawn and Garden Services	\$					\$1,875			
		%					0.0%			
1442	Construction Sand and Gravel	\$								
		%								
1521	General Contractors: Single-Family Houses	\$			\$542,992					
		%			0.57%					
1522	General Contractors: Residential Buildings, Other than Single-Family	\$			\$144,393					
		%			0.15%					
1541	General Contractors: Industrial Buildings and Warehouses	\$							\$9,288,210	
		%							9.83%	
1542	General Contractors: Nonresidential Buildings	\$					\$82,899			
		%					0.09%			
1623	Water, Sewer and Pipelines	\$					\$2,286,426			
		%					2.42%			
1629	Heavy Construction, NEC	\$					\$8,784			
		%					0.01%			
1711	Plumbing, Heating and AC	\$								
		%								
1731	Electrical Work	\$					\$153,061	\$252,125		
		%					0.16%	0.27%		
1771	Concrete Work	\$					\$380,474			
		%					0.40%			
1799	Special Trade Contractors, NEC	\$	\$25				\$147,875			
		%	0.0%				0.16%			
2099	Food Preparations, NEC	\$			\$54,961					
		%			0.06%					
2385	Waterproof Outerwear	\$					\$579			
		%					0.0%			
2819	Industrial Inorganic Chemicals, NEC	\$								
		%								

# 2019 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	OTHER 8(a)**	TOTAL WMDVLGBTBE
\$189,780	\$91,538				\$281,318
0.20%	0.10%				0.30%
\$1,875					\$1,875
					0.00%
			\$397,622		\$397,622
			0.42%		0.42%
\$542,992					\$542,992
0.57%					0.57%
\$144,393					\$144,393
0.15%					0.15%
\$9,288,210					\$9,288,210
9.83%					9.83%
\$82,899					\$82,899
0.09%					0.09%
\$2,286,426	\$4,745,387	\$248,468	\$12,500		\$7,292,781
2.42%	5.02%	0.26%	0.01%		7.71%
\$8,784					\$8,784
0.01%					0.01%
	\$108,610				\$108,610
	0.11%				0.11%
\$405,186			\$119,973		\$525,159
0.43%			0.13%		0.56%
\$380,474					\$380,474
0.40%					0.40%
\$147,899					\$147,899
0.16%					0.16%
\$54,961					\$54,961
0.06%					0.06%
\$579					\$579
0.0%					0.00%
	\$41,829		\$1,794,640		\$1,836,470
	0.04%		1.90%		1.94%

# 2019 HIGHLIGHTS

SIC CODE	CATEGORY		ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
3084	Plastic Pipe	\$								
		%								
3272	Other Concrete Products	\$					\$588			
		%					0.0%			
3399	Primary Metal Products, NeC	\$								
		%								
3498	Fabricated Pipe and Pipe Fittings	\$								
		%								
3621	Motors and Generators	\$								
		%								
3646	Commercial, Industrial, and Institutional Electric Lighting Fixtures	\$					\$45,331			
		%					0.05%			
3993	Signs and Advertising Specialties	\$								
		%								
4119	Employee Transportation	\$					\$44			
		%					0.0%			
4212	Local Trucking Without Storage	\$			\$20,274					
		%			0.02%					
4581	Aircraft Cleaning and Janitorial Services	\$					\$70,575			
		%					0.07%			
4619	Pipelines, NEC	\$						\$1,500,148		
		%						1.59%		
4789	Transportation Services	\$					\$11,340			
		%					0.01%			
4952	Sewerage Systems	\$								
		%								
4953	Hazardous Waste Treatment and Disposal	\$			\$43,246					
		%			0.05%					
5039	Construction Materials, NEC	\$								
		%								
5047	Medical, Dental and Hospital Equipment & Supplies	\$		\$2,576						
		%		0.0%						
5074	Plumbing and Heating Equipment and Supplies (Hydronics)	\$					\$6			
		%					0.0%			



# 2019 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	OTHER 8(a)**	TOTAL WMDVLGBTBE
	\$1				\$1
	0.0%				0.00%
\$588					\$588
0.0%					0.00%
	\$1,308				\$1,308
	0.0%				0.00%
	\$568				\$568
	0.0%				0.00%
	\$60,565				\$60,565
	0.06%				0.06%
\$45,331					\$45,331
0.05%					0.05%
	\$5,017				\$5,017
	0.01%				0.01%
\$44					\$44
0.0%					0.00%
\$20,274	\$143,667				\$163,941
0.02%	0.15%				0.17%
\$70,575					\$70,575
0.07%					0.07%
\$1,500,148					\$1,500,148
1.59%					1.59%
\$11,340					\$11,340
0.01%					0.01%
	\$43,240				\$43,240
	0.05%				0.05%
\$43,246					\$43,246
0.05%					0.05%
	\$3,855				\$3,855
	0.0%				0.00%
\$2,576					\$2,576
0.0%					0.00%
\$6					\$6
0.0%					0.00%

# 2019 HIGHLIGHTS

SIC CODE	CATEGORY	ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
5084	Industrial Machinery and Equipment	\$	\$46,841						
		%	0.05%						
5088	Transportation Equipment and Supplies, Except Motor Vehicles	\$							
		%							
5112	Stationery and Office Supplies	\$	\$33,096						
		%	0.04%						
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals	\$				\$5,803			
		%				0.01%			
5211	Lumber and Other Building Materials Dealers	\$							
		%							
5599	Automotive Dealers, NEC	\$		\$2,101,041					
		%		2.22%					
5812	Full Service Restaurants	\$							
		%							
5963	Direct Selling Establishments	\$							
		%							
6531	Real Estate Agents and Brokers	\$							
		%							
7291	Tax Return Preparation Services	\$				\$61,322			
		%				0.06%			
7311	Advertising Agencies	\$							
		%							
7319	Advertising Materials Distributor Services	\$			\$7,280				
		%			0.01%				
7331	Other	\$							
		%							
7334	Photocopying and Duplicating Services	\$				\$50,747			
		%				0.05%			
7349	Building Cleaning and Maintenance Services, NEC	\$	\$34,846						
		%	0.04%						
7359	Equipment Rental and Leasing, NEC	\$							
		%							
7361	Employment Agencies	\$							
		%							
7371	Computer Programming Services	\$	\$19,500	\$13,758					
		%	0.02%	0.01%					

# 2019 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	OTHER 8(a)**	TOTAL WMDVLGBTBE
\$46,841	\$2,411				\$49,252
0.05%	0.0%				0.05%
	\$111,421				\$111,421
	0.12%				0.12%
\$33,096			\$17,776		\$50,872
0.04%			0.02%		0.05%
\$5,803					\$5,803
0.01%					0.01%
	\$193				\$193
	0.0%				0.00%
\$2,101,041					\$2,101,041
2.22%					2.22%
	\$3,652	\$1,353			\$5,005
		0.0%			0.01%
	\$6,861				\$6,861
	0.01%				0.01%
	\$40,359				\$40,359
	0.04%				0.04%
\$61,322					\$61,322
0.06%					0.06%
	\$847,025				\$847,025
	0.90%				0.90%
\$7,280	\$3,435				\$10,716
0.01%					0.01%
	\$32,366				\$32,366
	0.03%				0.03%
\$50,747					\$50,747
0.05%					0.05%
\$34,846	\$169,650				\$204,496
0.04%	0.18%				0.22%
	\$3,113				\$3,113
	0.00%				0.00%
	\$168,075				\$168,075
	0.18%				0.18%
\$33,258					\$33,258
0.04%					0.04%

# 2019 HIGHLIGHTS

SIC CODE	CATEGORY		ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
7382	Security Systems Services	\$								
		%								
7389	Interior Design, Business Support Services	\$					\$32,526			
		%					0.03%			
7513	Truck Rental and Leasing	\$								
		%								
7699	Repair Shops and Related Services, NEC	\$								
		%								
8111	Legal Services	\$	\$176,440	\$19,238						
		%	0.19%	0.02%						
8299	Professional and Management Development Training	\$				\$4,949				
		%				0.01%				
8399	Environment, Conservation, and Wildlife Organizations	\$								
		%								
8711	Engineering Services	\$	\$20,000				\$300,273		\$139,612	
		%	0.02%				0.32%		0.15%	
8713	Surveying Services	\$								
		%								
8734	Testing Laboratories	\$						\$5,155		
		%						0.01%		
8741	Construction Management Services	\$				\$14,034				
		%				0.01%				
8742	Management Consulting Services	\$		\$174,190	\$90,273	\$39,660	\$50,470			
		%		0.18%	0.10%	0.04%	0.05%			
8743	Public Relations Services	\$								
		%								
8748	Business Consulting Services, NEC	\$					\$110,868			
		%					0.12%			
8999	Services, NEC	\$	\$39,810							
		%	0.04%							
9512	Land, Mineral, Wildlife, and Forest Conservation	\$								
		%								
TOTAL		\$	\$288,870	\$277,690	\$3,010,938	\$65,924	\$3,959,120	\$1,789,954	\$9,427,822	\$0
		%	0.31%	0.29%	3.19%	0.07%	4.19%	1.89%	9.97%	0.0%

Total Product Procurement	\$183,161
Total Service Procurement	\$32,609,009
Net Procurement***	\$94,533,546

# 2019 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	OTHER 8(a)**	TOTAL WMDVLGBTBE
	\$405				\$405
	0.0%				0.00%
\$32,526					\$32,526
0.03%					0.03%
	\$22,202				\$22,202
	0.02%				0.02%
	\$97,125				\$97,125
	0.10%				0.10%
\$195,678		\$6,578			\$202,256
0.21%		0.01%			0.21%
\$4,949	\$8,583				\$13,532
0.01%	0.01%				0.01%
			\$19,613		\$19,613
			0.02%		0.02%
\$459,885	\$575,334		\$126,559		\$1,161,778
0.49%	0.61%		0.13%		1.23%
	\$255,374		\$30,156		\$285,530
	0.27%		0.03%		0.30%
\$5,155					\$5,155
0.01%					0.01%
\$14,034	\$3,151,292				\$3,165,327
0.01%	3.33%				3.35%
\$354,593					\$354,593
0.38%					0.38%
		\$200,037			\$200,037
		0.21%			0.21%
\$110,868		\$29,337	\$2,069		\$142,274
0.12%		0.03%	0.0%		0.15%
\$39,810	\$124,671				\$164,480
0.04%	0.13%				0.17%
	\$96,040				\$96,040
	0.10%				0.10%
<b>\$18,820,318</b>	<b>\$10,965,172</b>	<b>\$485,772</b>	<b>\$2,520,908</b>	<b>\$0</b>	<b>\$32,792,170</b>
<b>19.91%</b>	<b>11.60%</b>	<b>0.51%</b>	<b>2.67%</b>	<b>0.00%</b>	<b>34.69%</b>

**NOTE:** \*Firms with multi-minority ownership status

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

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

\$: Total procurement dollar amount in the specific SIC category

?: Percentage of total dollars



# 2019 HIGHLIGHTS

## SECTION 9.1.2E – Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse and California American Water

Data on Number of Suppliers   Revenue Reported to CHS							
# WMDVLGBTBEs	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	12	10	5	2	0	0	29
\$1 million < \$2.5 million	1	9	2	2	0	0	14
\$2.5 million < \$5 million	4	12	2	0	1	0	19
\$5 million < \$10 million	5	8	3	0	0	0	16
\$10 million+	19	10	1	1	0	0	31
No Revenue Designation	2	0	0	0	9	0	11
<b>TOTAL</b>	<b>43</b>	<b>49</b>	<b>13</b>	<b>5</b>	<b>10</b>	<b>0</b>	<b>120</b>

Revenue and Payment Data   Revenue Reported to CHS							
WMDVLGBTBE \$M	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$4,381,192	\$3,896,246	\$2,153,989	\$765,000	\$0	\$0	\$11,196,427
\$1 million < \$2.5 million	\$2,314,385	\$13,574,081	\$3,100,000	\$3,768,000	\$0	\$0	\$22,756,466
\$2.5 million < \$5 million	\$14,312,581	\$42,991,761	\$7,589,765	\$0	\$4,500,000	\$0	\$69,394,107
\$5 million < \$10 million	\$35,755,676	\$57,636,230	\$23,289,728	\$0	\$0	\$0	\$116,681,635
\$10 million+	\$980,585,020	\$2,679,857,288	\$134,518,190	\$12,000,000	\$0	\$0	\$3,806,960,498
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,037,348,854</b>	<b>\$2,797,955,606</b>	<b>\$170,651,672</b>	<b>\$16,533,000</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$4,026,989,132</b>

Data on Number of Suppliers   California American Water 2019 Summary							
# WMDVLGBTBES	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	40	46	12	5	9	0	112
\$1 million < \$2.5 million	2	1	1	0	1	0	5
\$2.5 million < \$5 million	0	2	0	0	0	0	2
\$5 million < \$10 million	1	0	0	0	0	0	1
\$10 million+	0	0	0	0	0	0	0
No Revenue Designation	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>43</b>	<b>49</b>	<b>13</b>	<b>5</b>	<b>10</b>	<b>0</b>	<b>120</b>

Revenue and Payment Data   California American Water 2019 Summary							
WMDVLGBTBE \$M	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$3,837,480	\$3,495,001	\$633,420	\$485,772	\$726,267	\$0	\$9,177,941
\$1 million < \$2.5 million	\$4,387,467	\$1,482,209	\$1,500,148	\$0	\$1,794,640	\$0	\$9,164,464
\$2.5 million < \$5 million	\$0	\$5,987,962	\$0	\$0	\$0	\$0	\$5,987,962
\$5 million < \$10 million	\$8,461,803	\$0	\$0	\$0	\$0	\$0	\$8,461,803
\$10 million+	\$0	\$0	\$0	\$0	\$0	\$0	\$0
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$16,686,751</b>	<b>\$10,965,172</b>	<b>\$2,133,568</b>	<b>\$485,772</b>	<b>\$2,520,908</b>	<b>\$0</b>	<b>\$32,792,170</b>

# 2019 HIGHLIGHTS

## SECTION 9.1.2F – Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

In 2019, California American Water engaged and had spend (directly or through use of subcontractors) with 120 diverse suppliers. Of the 120 vendors, 112 listed their physical address with the Supplier Clearinghouse as California. The 112 vendors indicated they employed over 12,107 employees.

## SECTION 9.1.3 – WMDVLGBTBE Program Expenses

EXPENSE CATEGORY	AMOUNT
Wages	\$147,240
Other Employee Expenses	\$65,770
Program Expenses	\$79,149
Reporting Expenses	\$18,498
Training (included in Wages and Program Expenses)	\$6,363
Consultants	\$2,971
Other	\$30,284
<b>TOTAL</b>	<b>\$350,274</b>

## SECTION 9.1.4A – Description of Progress in Meeting or Exceeding Set Goals

CAW consistently sets goals in excess of the CPUC's 21.5%. In 2019, our internal goal was 29.5%. We finished the year at 34.69%. This is the 2nd year we met all three category goals: MBE 19.9% (target 15%), WBE 11.6% (target 5%), and DVBE 2.7% (target 1.5%). We finished the year at 0.51% LGBTBE spend. Our success achieving the three primary goals can be attributed to the internal and external highlights noted in the previous pages.

### SECTION 9.1.4B – WMDVLGBTBE Results and Goals

<b>CATEGORY</b>	<b>GOALS</b> (Net procurement percentages add up to the diverse spend goal of 21.5%)	<b>RESULTS</b> (Net procurement add up to the diverse spend actual of 34.69%)
MINORITY MEN	0.00%	17.65%
MINORITY WOMEN	0.00%	2.26%
MBE	15.00%	19.91%
WBE	5.00%	11.60%
LGBTBE	0.00%	0.51%
DVBE	1.50%	2.67%
<b>TOTAL</b>	<b>21.50%</b>	<b>34.69%</b>

### SECTION 9.1.5A – Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

In 2018, our prime suppliers spent a total of \$2.5M with diverse suppliers. In 2019, our prime suppliers spent \$3.06M, which is 3.24% of our spend. We will continue our efforts to increase spend with diverse subcontractors. We believe our Partnering Forward for Success Program will assist with our efforts.

# 2019 HIGHLIGHTS

## SECTION 9.1.5B – Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

	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 WMDV-LGBTBE
Direct \$	\$16,418,727	\$2,095,887	\$18,514,614	\$10,167,918	\$485,772	\$563,639	\$0	\$29,731,943
Subcontracting \$	\$268,024	\$37,681	\$305,705	\$797,254	\$0	\$1,957,269	\$0	\$3,060,227
<b>Total</b>	<b>\$16,686,751</b>	<b>\$2,133,568</b>	<b>\$18,820,318</b>	<b>\$10,965,172</b>	<b>\$485,772</b>	<b>\$2,520,908</b>	<b>\$0</b>	<b>\$32,792,170</b>
Direct %	17.37%	2.22%	19.59%	10.76%	0.51%	0.60%	0.00%	31.45%
Subcontracting %	0.28%	0.04%	0.32%	0.84%	0.00%	2.07%	0.00%	3.24%
<b>Total %</b>	<b>17.65%</b>	<b>2.26%</b>	<b>19.91%</b>	<b>11.60%</b>	<b>0.51%</b>	<b>2.67%</b>	<b>0.00%</b>	<b>34.69%</b>
<b>Net Procurement**</b>				<b>\$94,533,546</b>				

**NOTE:** \*Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE

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

?: Percentage of total net procurement

## SECTION 9.1.6 – A List of WMDVLGBTBE Complaints Received and Current Status

California American Water did not receive any complaints from diverse suppliers in 2019.

## SECTION 9.1.7 – Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Categories

Table 9.1.2 clearly identifies where we have underutilized diverse vendors in areas including legal, finance, and computer related services. We will continue focusing our efforts on increasing spend in these areas in 2020 and beyond. We will continue to engage our CBOs to search for suppliers to meet our needs. We will also encourage our prime suppliers to use diverse subcontractors through our Annual Prime Supplier and Procurement Lead Showcase and our California Water Association Meet-the-Primes events.

We believe our Partnering Forward for Success Program will assist in increasing our results in some of the low utilization categories.



## SECTION 10.1.1 – WMDVLGBTBE Annual Short-, Mid-, and Long-Term Goals by Product and Services Categories

CAW and other California Water Association utilities find it difficult to complete a more detailed chart identifying needs for products and services, as these needs differ yearly due to agreed upon CPUC capital projects and spending, which are approved every three years based on our general rate case cycle. We are in an ever-changing regulatory environment and have to balance our needs and procurement activities with those of our customers in an effort to keep our rates low. California American Water will strive to improve our results noted below.

**MBE FOCUS** – Although we achieved 19.9%, exceeding the CPUC goal of 15%, we will continue our efforts to increase our spend with Asian Pacific, African and Native Americans while maintaining our results with Hispanic Americans.

**WBE FOCUS** – Although we achieved 11.6%, exceeding the CPUC goal of 5%, we will continue our efforts to include women businesses in our procurement processes.

**DVBE FOCUS** – Although we achieved 2.7%, exceeding the CPUC goal of 1.5%, we will continue our efforts to engage veteran and disabled-veteran businesses.

**LGBTBE** – Although there is currently no LGBTBE goal, we have focused on increasing our spend with LGBTBE over the last several years (2019: 0.51%; 2018: 0.52%; 2017: 1.67%; 2016: 0.33%). We will continue to engage the CBO – Los Angeles Gay & Lesbian Chamber of Commerce, Sacramento Rainbow Chamber of Commerce, the National Gay & Lesbian Chamber of Commerce and others in our efforts to educate the LGBTBE regarding the water industry and our procurement opportunities.

We have established LGBTBE contract relationships in some of the professional areas (legal, marketing and promotional services). We struggle to find LGBTBE relationships in the areas where most of our larger spend is – infrastructure (pipeline/underground construction), engineering, and water treatment processes. We are working on establishing a contract with Pride Resources to assist in our engineering and project management areas.

CATEGORY	Current CPUC Goal	Short-Term Goals (2019–2021)	Mid-Term Goals (2022–2024)	Long-Term Goals (2024–2026)
Minority Business Enterprises (MBE)	15.00%	15.00%	15.00%	15.00%
Women Business Enterprises (WBE)	5.00%	5.00%	7.00%	8.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBE)	0%	1.00%	1.50%	1.75%
Disabled Veteran Business Enterprises (DVBE)	1.50%	2.00%	2.50%	3.00%
<b>TOTAL</b>	<b>21.50%</b>	<b>23.00%</b>	<b>26.00%</b>	<b>27.75%</b>

## SECTION 10.1.2 – Description of WMDVLGBTBE Planned Program Activities for 2020

We will continue our efforts to engage WMDVLGBTBEs in our procurement processes focused on inclusion of all. Our focus for 2020 is on the following areas:



**NEW INCLUSION AND DIVERSITY - SUPPLIER DIVERSITY REFERENCE MANUAL:** We will put the finishing touches on the draft we started in 2019. This manual includes all information team members need to know about Supplier Diversity. The manual will be provided to key procurement leads via hardcopy and all team members will be provided a link to access the reference manual.



**LAUNCH PARTNERING FORWARD FOR SUCCESS WITH 2020 MBE GOALS:** We will officially launch our Partnering Forward for Success Program with 11 Committed Corporations agreeing to mentor one MBE.



**USE OF DEEPER DIVE SURVEY RESULTS TO IDENTIFY AREAS OF IMPROVEMENT:** We will share Client Confidant's survey findings with the senior leadership and procurement team members and will develop strategies to address areas needing improvement and to enhance our overall program. The information learned will assist us in receiving improved performance on contracts from diverse businesses, help remove any obstacles that makes it more difficult for diverse businesses to fulfill their contracts with California American Water, identify additional opportunities to increase diverse spend, and create a best practice for the future engagement of diverse businesses.



**INCREASE PROCUREMENT TEAM MEMBERS' ACCOUNTABILITY - IMPLEMENTING NEW SUPPLIER DIVERSITY CONTRACT SOLICITATION PRACTICE:** We believe our non-diverse suppliers should share in our efforts to include diverse vendors in our/their procurement processes. In July 2018, after many internal discussions, we implemented a policy (DBE Requirement Statement) that contracts valued at \$100,000 or more must include the DBE Requirement Statement. The diversity inclusion percentage varies by contract value (i.e., the higher the contract value, the higher the percentage). New contract owners record the minimum (or higher) percentage on an abbreviated form and the form becomes part of the contract. This form is used to match their commitment to their performance when the vendor submits their quarterly Tier Two reporting. In 2020, we will implement a California American Water Practice - Supplier Diversity Contract Solicitation. This practice requires all team members in procurement positions to adhere to the policies and procedures set forth in the practice including, but not limited to, proper handling of sole sourcing contracts, requirement to engage the supplier diversity team in their search efforts, and forwarding copies of DBE Requirement Statement to the supplier diversity team.



**FURTHER ENHANCEMENT OF 2018 WEBSITE REDESIGN:** We will include new practices, enhance the photo gallery, and include our new supplier diversity reference manual and other information diverse suppliers and the supplier diversity community need to know about our program.



**CONTINUE COMMUNITY-BASED SPONSORSHIP/PARTNERSHIPS:** We will continue to ask our CBOs and Advocacy Groups to increase their assistance with our search for diverse suppliers by providing all with notification of RFPs and encouraging their qualified members to bid on projects within their field of expertise. Ed Simon will continue to Chair the Asian Business Association Advisory Board and continue to serve on the Sacramento Rainbow Chamber of Commerce and Los Angeles Gay & Lesbian Chamber of Commerce Boards. We will continue our partnership with the National Center for American Indian Economic Development (NCAIED) and increase discussions with the American Indian Chamber of Commerce and with African American, local LGBTBE, and DVBE groups to increase spend with their members. We will also continue to ask the Council for Supplier Diversity to search for diverse vendors.



**CONTINUE TO INCREASE MONITORING PRIME CONTRACTOR (COMMITTED CORPORATIONS) USE OF SUBCONTRACTORS (PARTNERS):** We will increase monitoring of prime supplier use of diverse subcontractors and offer assistance when prime contractors are not meeting their commitment to diversity. We will continue quarterly review of Tier Two Reporting Requests and engage in discussions with primes. We believe our Partnering Forward for Success Program will assist with increasing our Prime Contractors (Committed Corporations) use of subcontractors (Partners).



**INCREASE TECHNICAL AND CAPACITY BUILDING ASSISTANCE:** Working with the California Water Association (CWA) member companies and other joint utilities, we will continue to participate (providing financial support and resources) in various programs and workshops to educate existing and prospective vendors on the water industry and the skills small businesses need to be successful. CAW will continue to play an integral role in the W.A.T.E.R. (Water Acumen Training for Entrepreneurship Refinement) Certification Program.



**CONTINUE ANNUAL SUPPLIER DIVERSITY SHOWCASE:** We will continue our Annual Supplier Diversity Event focused on educating new the diverse business enterprises including LGBTBE and DVBE on what it takes to work with us and specific upcoming available projects.

### SECTION 10.1.3 – Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

In our experience, we are able to establish LGBTBE contract relationships in some of the professional areas (legal, marketing, promotional service, and travel). Where we struggle to find LGBTBE is in the areas where most of our larger spend is – infrastructure (pipeline/underground construction), engineering, and water treatment processes. We have other low utilization in finance, as our parent company provides the support needed in this area. We will focus our efforts on increasing our spend in legal areas but we require the vendor to have knowledge of the regulated water space and the environmental challenges we face.

### SECTION 10.1.4 – Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

We will continue our efforts to recruit suppliers for all products and services as noted in sections 10.1.1 and 10.1.3.

### SECTION 10.1.5 – Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

As noted in Section 9.1.5, we believe requiring our prime contractors to report their tier two spend quarterly, along with reviewing and monitoring results throughout the year, will provide the primes and California American Water with opportunities to work together to identify ways to increase subcontractor engagement and spending. In 2018, we implemented our Diverse Business Enterprise Requirement Statement (DBE) which identifies goals our non-diverse prime suppliers are expected to achieve for contracts valued over \$100,000. We will monitor their progress meeting these goals and offer assistance where necessary.

### SECTION 10.1.6 – Plans for Complying with WMDVLGBTBE Program Guidelines

California American Water is committed to meeting all Supplier Diversity Program compliance areas set both internally and by the California Public Utilities Commission. We continue to hold ourselves accountable to the highest level of integrity as we create and develop administrative processes that will assure prospective diverse suppliers a fair and equitable inclusion in their pursuit of contract opportunities. We are confident this will ensure the best quality products and services to the communities we serve.

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**Acknowledgement of Exclusions:** As noted in General Order 156, categories excluded from our gross procurement include purchased water, purchased power, pump taxes, all taxes, franchise fees, postage, all other non-sourceable categories, and affiliate transaction expenses.

## In Closing: Tips for Diverse Suppliers - from Ed Simon

The following are several tips I've learned during my tenure as a diverse professional, which I'm sharing to assist small diverse businesses as they start their journey:

- **CERTIFICATION IS KEY:** Be willing to become certified through the agency that best represents your diverse status. For California American Water, diverse suppliers are required to be certified through the Supplier Clearinghouse – see our website or visit [www.thesupplierclearinghouse.com](http://www.thesupplierclearinghouse.com).
- **TIER TWO (SUB-CONTRACTING/PARTNERING):** Be willing to act as a partner versus trying to be the prime supplier, especially as you are trying to grow your business.
- **PARTNERSHIPS AND SYNERGIES:** These are also key as you are trying to grow your business. If you do not have the skills/capacity to complete a large project, partner with companies where there are synergies.
- **STEADY GROWTH:** Start small and grow as you develop more skills and capacity.
- **PLAN:** One of my mentors told me to plan your work, work your plan, and your plan will work. Always plan including scaling your business to cover larger areas of the state and region.



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