



**SAN JOSE WATER**

## **Utility Supplier Diversity Report**

TO THE

## **California Public Utilities Commission**

(U-1A68-W)

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

## **2019 Supplier Diversity Report**

AND

## **2020 Plan**

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In response to CPUC General Order 156



SAN JOSE WATER





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## LETTER FROM OUR CHIEF EXECUTIVE OFFICER



It is my pleasure to submit San Jose Water's ("SJW") 2019 Supplier Diversity Report and 2020 Annual Plan to the California Public Utilities Commission (CPUC). 2019 was a year of positive change and growth for SJW as a whole. On October 9, 2019, SJW Group and Connecticut Water Service, Inc. ("Connecticut Water") announced the close of our merger. The combined company, SJW Group, is the second-largest investor-owned pure play water utility based on rate base in the United States, serving nearly 1.5 million people across California, Connecticut, Maine and Texas. As part of our commitment to sharing best practices, Connecticut Water submitted a detailed Supplier Diversity Plan to the Connecticut Public Utilities Agency (PURA) modeled after SJW's program. While many exciting changes are taking place as a result of the combination, SJW's mission remains to be trusted professionals delivering exceptional quality water and service to customers and communities while protecting the environment and providing a fair return to shareholders. We continue to focus on our core values while delivering to our stakeholders.

As you read through SJW's 2019 Supplier Diversity Report and 2020 Annual Plan you will see that many of the plans called out in last year's report were implemented and had positive impact on our program and results. Progress was made in 2019 towards meeting the 21.5% goal set forth by the CPUC, and we remain focused on achieving that goal.

In 2019, SJW was responsible for \$18M of diverse spend, representing 12.9% of our addressable spend, a 2.1 percentage point decrease when compared to 2018. While short of our goal, we did accomplish a number of major milestones in 2019:

- Disabled Veteran-Owned Business Enterprise (DVBE) spend was \$4.4M, representing 3.1% of our 2019 addressable spend.
- Women-owned Business Enterprise (WBE) spend was \$7.1M which representing a 97% increase over 2018 and 5.0% of our 2019 addressable spend.
- Our Prime Supplier Program yielded \$8.6M in DBE spend, a 34% increase in diverse subcontracting spend when compared to 2018.

This marks the first time in over 4 years that SJW has met two of the three sub-goals set forth by the CPUC (1.5% DVBE and 5% WBE). We were able to accomplish these major milestones while losing the contribution of our top two diverse suppliers, one due to an acquisition by a non-diverse supplier and the other losing the certification they had for nearly 2 decades. Without these major events, SJW's 2019 results would have approached 18% in 2019.

We believe the changes implemented in the last several years and the additional changes made in 2020, will continue to grow our program and will have a very positive impact in our results moving forward.

We recognize that partnering with diverse suppliers is an important part of San Jose Water's success and fits squarely within our core values. We can best accomplish our mission with a diverse supply chain that enables us to be more competitive and enhance the economic vitality of the communities where we proudly live, work, and serve.

Eric Thornburg - CEO  
San Jose Water



This filing is in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156 and contains the 2019 Annual Report and the 2020 Annual Plan of San Jose Water's Utility Supplier Diversity Program (USDSP). The annual report describes the program activities and results achieved by SJW for the period of January 1, 2019 through December 31, 2019. For purposes of this report Women, Minority, Disabled Veteran, and Lesbian, Gay, Bisexual, and Transgendered Business Enterprises (WMDVLGBTBE) shall be referred to as Diversity Business Enterprises (DBE's).





## 2019 ANNUAL REPORT

# Summary of Program and Highlights

San Jose Water's (SJW) commitment to the CPUC's Utility Supplier Diversity Program (USDP) and its goal to provide access and opportunity to DBEs, continues to progress through both program and process development. Our diverse business utilization percentage for 2019 was 12.9%, a 2.1 percentage point decrease when compared to 2018.

The company's procurement for goods and services with DBEs totaled \$18.2M, a 13% decrease in dollars spent, as compared to 2018. We experienced significant growth in women-owned business (WBE) which increased by 97%, and disabled veteran-owned business (DVBE) which increased by an unprecedented 2000+%, a \$4.4M increase. For the first time in over four years, SJW has met both the WBE and DVBE goals set forth by the CPUC under General Order 156.

In addition to these accomplishments, SJW experienced a 34% increase in prime supplier subcontracting to diverse suppliers. In 2019, the SJW Prime Supplier Program was responsible for 47% of our overall supplier diversity results. Direct spend with DBEs decreased by 34% from \$14.6M in 2018 to \$9.6M in 2019. This decrease was a direct result of losing our top two diverse suppliers. Our total minority spend was also affected by the loss of our top two diverse suppliers, resulting in a 61% decrease in minority (MBE) spend. LGBT spend remained low and continues to be a focus for future spend.

The number of diverse suppliers within our supply chain in 2019 decreased slightly from a total of 64 in 2018 to 59 in 2019 (36 Direct suppliers and 32 subcontractors).

The positive results outlined above were due, in part, to the strategic plans implemented in 2018 and 2019 which include the following objectives within our operating departments:

- Establish one supplier diversity lead/champion for each department within SJW. This individual is to be the point of contact for all supplier diversity activities within that operating unit or department.
- Ensure that all 2019 (current) contractors, vendors and consultants (and their subcontractors) are made aware of, and where necessary, registered as a diverse supplier through the CPUC Clearinghouse.
- In each case where a new or renewed (contract renewal) business relationship is initiated, a minimum of two CPUC-registered diverse suppliers will be considered.

SJW is an active participant and contributor to the California Water Association's (CWA) USDP. Under the CWA USDP, we have continued our Technical Assistance Program (TAP), Meet the Primes Program and supported numerous Community Business Organizations (CBOs) through participation in and/or sponsorship of many events throughout the State of California.

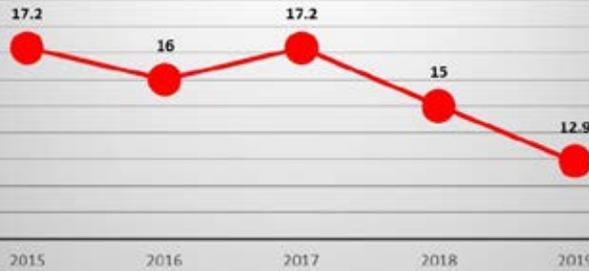
## SAN JOSE WATER'S 2019 USDP Highlights

- Spend with disabled veteran-owned business (DVBE) increased an unprecedented 2259% from \$187K in 2018 to \$4.4M in 2019. Overall, DVBE spend percentage for 2019 was 3.1%, well over the CPUC goal of 1.5%.
- Women-owned business (WBE) spend increased by 97% in 2019, resulting in 5.1% WBE spend for 2019. This also exceeds the CPUC WBE goal of 5.0%.
- An increased emphasis on our Prime Supplier Program in 2018 and 2019 resulted in a 34% increase in DBE subcontracting in 2019. This was a direct result of stronger contact language and increased emphasis and interaction with our Prime Suppliers.
- The number of prime suppliers reporting DBE subcontracting continues to increase with eight suppliers reporting in 2019.
- For the first time, SJW was able to capture Tier 3 DBE subcontracting spend through two of our prime suppliers, resulting in \$67.7K in Tier 3 spend.
- SJW showed significant growth in 2019 when considering the unexpected loss of our top two diverse suppliers. Without growth in 2019, the loss of our top two diverse suppliers would have resulted in an overall spend percentage of 8.7% for 2019. Instead, SJW added nearly \$7M of new DBE content to its 2019 program, resulting in a 12.9% overall spend percentage. Had we not lost our top two diverse suppliers, we estimate our 2019 results would have been near 18%.

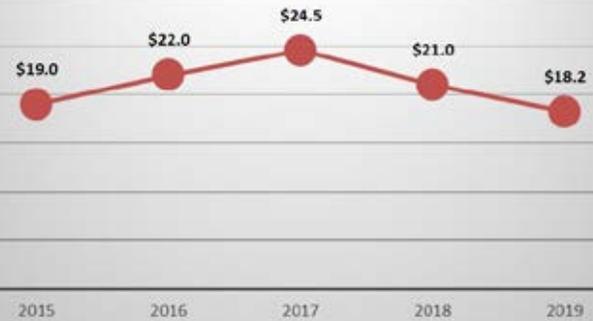
Program Baseline Statistics	Statistic					'18 to '19
	2015	2016	2017	2018	2019	%
Total procurement spend:	\$221M	\$260M	\$294M	\$340M	\$305.6M	-10%
Total addressable spend:	\$110M	\$138M	\$142.6M	\$139.9M	\$141.3M	1%
Overall spend with diverse suppliers:	\$19M	\$22M	\$24.5M	\$21.0M	\$18.2M	-13%
Direct spend with diverse suppliers:	\$13M	\$13M	\$14.1M	\$14.6M	\$9.6M	-34%
Prime Supplier Program, subcontracting with diverse suppliers:	\$6M	9M	\$10.4M	\$6.4M	\$8.6M	34%
Total Minority Business Enterprise (MBE) Spend:	\$13.1M	\$14.9M	\$15.6M	\$17.2M	\$6.7M	-61%
Total Women Business Enterprise (WBE) Spend:	\$5.5M	\$6.1M	\$8.5M	\$3.6M	\$7.1M	97%
Total Disabled Veteran Business Enterprise (DVBE) Spend:	\$432K	\$971K	\$395K	\$187K	\$4.4M	2259%
Total Lesbian, Gay, Bisexual, Transgendered Business Enterprise Spend (LGBTBE) Spend:	\$0	13K	\$4.0K	29.7K	\$5.1K	-83%
Total number of diverse suppliers within the SJWC supplier diversity program:	57	48	48	64	59	-8%
Number of diverse suppliers doing business directly with SJWC:	34	32	31	37	36	-3%
Number of diverse suppliers doing business with SJWC through subcontracting:	28	28	21	31	32	3%



### Diverse Spend Percentage (%)



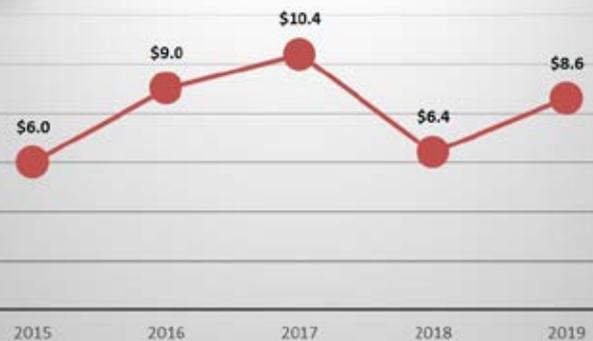
### Diverse Spend Trend (\$M)

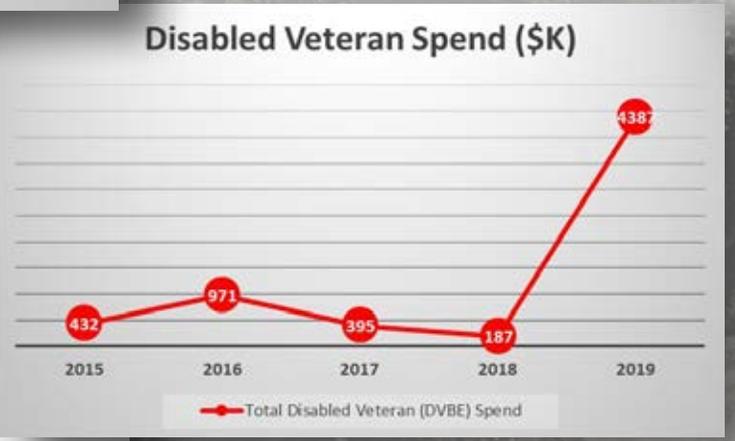
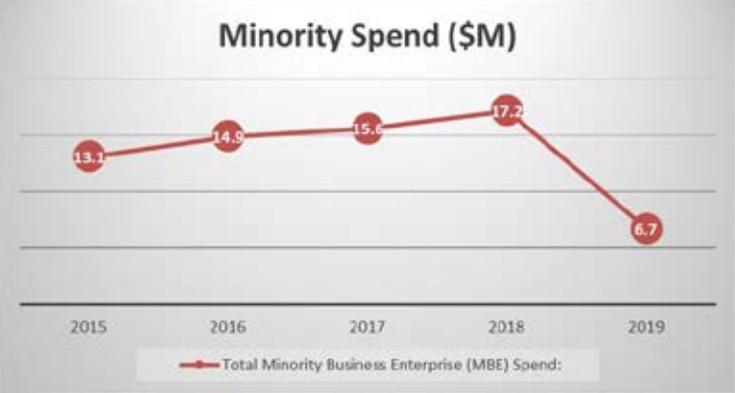


### Diverse Direct Trend (\$M)



### Diverse Subcontracting Trend (\$M)







SAN JOSE WATER





### 9.1.1

## Description of WMDVLGBTBE Program Activities During the Previous Calendar Year

2019 was a year of positive change and growth for SJW as a whole. On October 9, 2019, SJW Group and Connecticut Water Service, Inc. (“Connecticut Water”) announced the close of their merger. The combined company, SJW Group, is the second largest investor-owned pure play water utility based on rate base in the United States, serving nearly 1.5 million people across California, Connecticut, Maine and Texas. As of the date of this report, SJW has submitted a detailed Supplier Diversity Plan to the Connecticut Public Utilities Agency (PURA) in fulfillment of our commitment to extend the SJW Supplier Diversity Program to Connecticut Water. Many exciting changes are taking place as a result of the merger, however, the SJW mission remains: to be trusted professionals delivering exceptional quality water and service to customers and communities while protecting the environment and providing a fair return to shareholders. We continue to focus on our core values while delivering to our stakeholders.

#### **SJW Core Values**

Integrity	Trust
Respect	Teamwork
Service	Transparency
Compassion	

#### **SJW Strategic Building Blocks**

Customers	Environment
Community	Shareholders
Employees	

In late 2019, SJW participated in a major Operations and Maintenance (O&M) sourcing event. The result was 9 Requests for Proposals (RFPs) for bill printing, concrete and paving, fleet maintenance and repair, janitorial, landscaping, maintenance repair and operations (MRO), security, temporary labor, and water treatment and chemicals, totaling over \$10M. Tim McLaughlin, Manager of Supplier Diversity also co-lead this initiative and was able to suggest over 30 diverse suppliers for consideration, across all 9 RFPs. Awards for the O&M Sourcing initiative will not be finalized until March of 2020 when the overall supplier diversity results of the initiative will be measured.

Early in 2019, SJW focused on the growth of its Prime Supplier Program (PSP) in two important areas:

1. Increasing the number of prime suppliers tracking and reporting the use of DBE subcontractors, and
2. Modification of key contract language that identifies a clear goal for prime suppliers to reach in order to maintain good standing.

The results of these changes showed a modest increase in the number of suppliers reporting DBE subcontracting and a 34% increase in prime supplier subcontracting to DBEs.



## 9.1.1

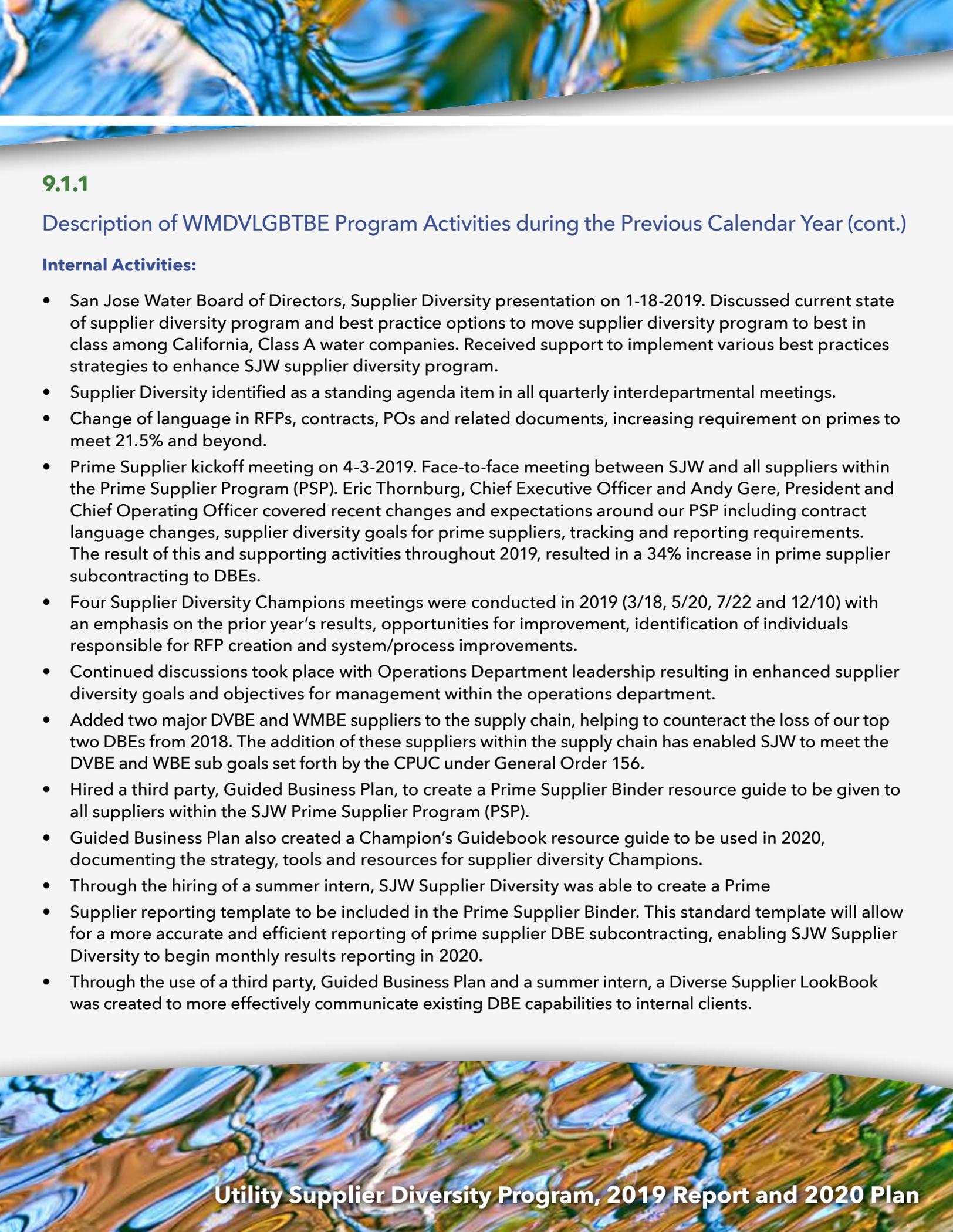
### Description of WMDVLGBTBE Program Activities during the Previous Calendar Year (cont.)

SJW continued to focus on the data integrity of their ERP system to insure accuracy in the following areas:

- Updating Tax Identifications, Standard Industry (SIC) Codes and other fields related to supplier diversity tracking and reporting.
- Each new supplier continues to be reviewed by the Supplier Diversity Director to ensure proper supplier diversity coding within the internal procurement system.
- We continued to drive diverse supplier registration through our 3rd party registration system, provided by Avisare Corp., an African-American, woman-owned business, allowing registrants to be seen by not only SJW, but other corporations and organizations that use the Avisare platform.
- New supplier diversity goals and objectives moved beyond the pilot phase and were implemented within our operating departments. The following objectives were included:
- Establish one supplier diversity lead/champion for each department within SJW. This individual is to be the point of contact for all supplier diversity activities within that operating unit or department.
- Ensure that all 2019 (current) contractors, vendors and consultants (and their subcontractors) are made aware of, and where necessary, registered as a diverse supplier through the CPUC Clearinghouse.
- In each case that a new or renewed (contract renewal) business relationship is initiated, a minimum of two CPUC-registered diverse suppliers will be considered.

The implementation of these new goals and objectives have resulted in increased activity between sourcing decision makers and the Supplier Diversity Manager. This has provided additional opportunities for DBEs to participate in sourcing events and one of the reasons SJW experienced growth in several areas.





## 9.1.1

### Description of WMDVLGBTBE Program Activities during the Previous Calendar Year (cont.)

#### Internal Activities:

- San Jose Water Board of Directors, Supplier Diversity presentation on 1-18-2019. Discussed current state of supplier diversity program and best practice options to move supplier diversity program to best in class among California, Class A water companies. Received support to implement various best practices strategies to enhance SJW supplier diversity program.
- Supplier Diversity identified as a standing agenda item in all quarterly interdepartmental meetings.
- Change of language in RFPs, contracts, POs and related documents, increasing requirement on primes to meet 21.5% and beyond.
- Prime Supplier kickoff meeting on 4-3-2019. Face-to-face meeting between SJW and all suppliers within the Prime Supplier Program (PSP). Eric Thornburg, Chief Executive Officer and Andy Gere, President and Chief Operating Officer covered recent changes and expectations around our PSP including contract language changes, supplier diversity goals for prime suppliers, tracking and reporting requirements. The result of this and supporting activities throughout 2019, resulted in a 34% increase in prime supplier subcontracting to DBEs.
- Four Supplier Diversity Champions meetings were conducted in 2019 (3/18, 5/20, 7/22 and 12/10) with an emphasis on the prior year's results, opportunities for improvement, identification of individuals responsible for RFP creation and system/process improvements.
- Continued discussions took place with Operations Department leadership resulting in enhanced supplier diversity goals and objectives for management within the operations department.
- Added two major DVBE and WMBE suppliers to the supply chain, helping to counteract the loss of our top two DBEs from 2018. The addition of these suppliers within the supply chain has enabled SJW to meet the DVBE and WBE sub goals set forth by the CPUC under General Order 156.
- Hired a third party, Guided Business Plan, to create a Prime Supplier Binder resource guide to be given to all suppliers within the SJW Prime Supplier Program (PSP).
- Guided Business Plan also created a Champion's Guidebook resource guide to be used in 2020, documenting the strategy, tools and resources for supplier diversity Champions.
- Through the hiring of a summer intern, SJW Supplier Diversity was able to create a Prime
- Supplier reporting template to be included in the Prime Supplier Binder. This standard template will allow for a more accurate and efficient reporting of prime supplier DBE subcontracting, enabling SJW Supplier Diversity to begin monthly results reporting in 2020.
- Through the use of a third party, Guided Business Plan and a summer intern, a Diverse Supplier LookBook was created to more effectively communicate existing DBE capabilities to internal clients.



## 9.1.1

### Description of WMDVLGBTBE Program Activities during the Previous Calendar Year (cont.)

#### External Activities:

SJW's Supplier Diversity and Community Involvement Manager, held the following leadership positions in 2019:

- President of the Industry Council for Small Business Development (ICSBD) for the term January 1, 2019 through December 31, 2019
- For the fourth year, represented the CWA-USDP on the Disabled Veteran Business Alliance Advisory Council
- Served on the National Utility Diversity Council (NUDC) Advisory Committee for the NUDC National Conference

SJW continues the company's outreach efforts by participating in CBO events that include partnerships with DBEs, both locally and throughout the State of California. Building relationships and understanding the needs/capabilities of each CBO remains a critical success factor in driving an increase to diverse spend at SJW. Partnering with the organizations listed below enables SJW to play a key role in educating diverse businesses on the process of working with SJW and all utilities in general:

- National Minority Supplier Development Council (NMSDC)
- Western Regional Minority Supplier Development Council (WRMSDC)
- Southern California Minority Supplier Development Council (SMSDC)
- Council for Supplier Diversity (CSD)
- Silicon Valley Black Chamber of Commerce
- Silicon Valley Hispanic Chamber of Commerce
- Women's Business Enterprise National Council (WBENC)
- Women's Business Enterprise Council - West (WBEC-West)
- Women's Business Enterprise Council - Pacific (WBEC-Pacific)
- National Utility Diversity Council (NUDC)
- Institute for Supply Management (ISM)
- CPUC (Small Business Expos)
- Elite Service Disabled Veteran Owned Business (SDVOB) Network
- Disabled Veteran Business Alliance (DVBA)
- Veterans in Business (VIB) Network
- American Indian Chamber of Commerce (AICOC)
- National Gay & Lesbian Chamber of Commerce (NGLCC)
- Rainbow Chamber of Commerce Silicon Valley
- Golden Gate Business Association (GGBA)
- Industry Council for Small Business Development (ICSBD)
- Fresno Metro Black Chamber of Commerce
- The National Center for Native American Enterprise Development (NCAIED)

SJW also partners with other CWA's Class A members as part of the CWA USDP committee, and SJW often represents the CWA USDP at various CBO events, tradeshow, and matchmaking events.

## 9.1.1

### Description of WMDVLGBTBE Program Activities during the Previous Calendar Year (cont.)

#### CBO Involvement / Presentations

Tim McLaughlin, Manager of Supplier Diversity, participated in multiple panels and presentations throughout 2019:

- Keynote Speaker at the Industry Council for Small Business Development (ICSBD) on 4/17/2019 highlighting how to do business with SJW.
- Panelist for the Silicon Valley Black Chamber of Commerce event: Certification & Capacity Building Summit, June 28, 2019.
- Co-presenter at the National Gay & Lesbian Chamber of Commerce (NGLCC), National Conference on 8/14/2019. Presented "Disruptive Strategies to Win Corporate Business" with AT&T, Kaiser and the Corporate Agent.
- Panel presenter at the Veterans in Business (VIB) Network National Conference on 10/29-2019. Presented "Getting Through the Gatekeepers to Win Corporate RFPs" with AT&T, Comcast and the Corporate Agent.
- Keynote speaker for the San Jose State University (SJSU) Silicon Valley Innovation Challenge (SVIC) on December 3, 2019. The SVIC supports entrepreneurship within the various colleges within SJSU.

#### Joint Utility Meetings

SJW's Manager of Supplier Diversity actively participated in the CPUC's joint utilities quarterly meetings and is a key contributor in developing processes that impact the way diverse businesses work with all of California's regulated utilities.





## 9.1.1

### Description of WMDVLGBTBE Program Activities during the Previous Calendar Year (cont.)

#### **CBO, Tradeshow, Conference, and Other Outreach Events**

SJW's Manager of Supplier Diversity and Community Involvement actively participated at outreach and community events listed below:

- Rainbow Chamber Luncheon, January 25, 2019
- Golden Gate Business Association (GGBA) Power Lunch, February 1, 2019
- CWA-CA Capital Procurement Technical Assistance Center Event, February 8, 2019
- Southern California Minority Supplier Development Council, Minority Business Opportunity Day (MBOD), February 12, 2019
- Tri-Council Minority Business Mega Summit, February 28, 2019
- Joint Utilities Meetings on 3/14, 6/18, 9/4 and 12/6
- CWA - Capacity Building W.A.T.E.R. Program on 3/8, 6/6, 9/6 and 11/22
- Western Business Association (WBA) LGBT Economic Summit, March 14-15, 2019
- Meeting with Northern California Elite SDVOB, March 19, 2019
- Reservation Economic Summit (RES), March 25-28, 2019
- Greenlining Economic Summit, April 26, 2019
- Asian Business Association Golf Tournament, April 29, 2019
- Disabled Veteran Business Alliance, Keeping the Promise, May 8-10, 2019
- Industry Council for Small Business Development (ICSBD) Small Business Week Summit, May 18, 2019
- CWA - Meet The Primes Event, June 5, 2019
- Silicon Valley Black Chamber of Commerce event: Certification & Capacity Building Summit, June 28, 2019
- American Indian Chamber of Commerce(AICOC) 2019 Expo, July 15-17 , 2019
- California Construction Expo (CALCON), July 20, 2019
- National Gay & Lesbian Chamber of Commerce National Conference, August 13-16, 2019
- Elite SDVOB 16th Annual National Conference, August 21-23, 2019
- Service Disabled Veteran Utility Based Summit, Sept 17, 2019
- WRMSDC - 2019 Program Manager's Meeting - Supplier Diversity Best Practices, September 25, 2019
- 2019 CWA-CBO Summit, October 2, 2019
- California Public Utilities Commission (CPUC) En Banc, October 3, 2019
- Veterans in Business (VIB) Network National Conference, October 27-30, 2019
- Disabled Veteran Business Alliance, Contacts to Contracts, November 20, 2019

## 9.1.2

# WMDVLGBTBE Annual Results by Ethnicity

### San Jose Water • G.O. #156 Sec. 9.1.2

		Direct	Sub	Total \$	%
1	Asian Pacific American	\$464,578	\$150,344	\$614,922	0.44%
2	African American	\$200,000	\$0	\$200,000	0.14%
3	Minority Male Hispanic American	\$1,667,592	\$143,523	\$1,811,115	1.28%
4	Native American	\$671,486	\$19,501	\$690,987	0.49%
5	Total Minority Male	\$3,003,656	\$313,368	\$3,317,024	2.35%
6	Asian Pacific American	\$1,447,636	\$145,952	\$1,593,588	1.13%
7	African American	\$31,824	\$184	\$32,008	0.02%
8	Minority Female Hispanic American	\$1,397,380	\$333,056	\$1,730,436	1.22%
9	Native American	\$0	\$0	\$0	0.00%
10	Total Minority Female	\$2,876,840	\$479,192	\$3,356,032	2.38%
11	Total Minority Business Enterprise (MBE)	\$5,880,496	\$792,560	\$6,673,056	4.72%
12	Women Business Enterprise (WBE)	\$3,682,989	\$3,466,053	\$7,149,042	5.06%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$1,931	\$3,199	\$5,130	0.00%
14	Disabled Veteran Business Enterprise (DVBE)	\$19,000	\$4,368,120	\$4,387,120	3.11%
15	Other 8(a)*	\$0	\$0	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>	<b>\$9,584,416</b>	<b>\$8,629,932</b>	<b>\$18,214,348</b>	<b>12.89%</b>
17	<b>Net Procurement**</b>	<b>141,287,605.00</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



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## 9.1.2

# WMDVLGBTBE Direct Procurement by Product and Service Categories

### San Jose Water • G.O. #156 Sec. 9.1.2

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1		Asian Pacific American	Direct	\$0	0.00%	\$464,578	0.33%	\$464,578	0.33%
2		African American	Direct	\$0	0.00%	\$200,000	0.14%	\$200,000	0.14%
3	Minority Male	Hispanic American	Direct	\$121,813	0.09%	\$1,545,779	1.09%	\$1,667,592	1.18%
4		Native American	Direct	\$0	0.00%	\$671,486	0.48%	\$671,486	0.48%
5		Total Minority Male	Direct	\$121,813	0.09%	\$2,881,843	2.04%	\$3,003,656	2.13%
6		Asian Pacific American	Direct	\$173,524	0.12%	\$1,274,112	0.90%	\$1,447,636	1.02%
7	Minority Female	African American	Direct	\$0	0.00%	\$31,825	0.02%	\$31,825	0.02%
8		Hispanic American	Direct	\$1,395,000	0.99%	\$2,380	0.00%	\$1,397,380	0.99%
9		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Direct	\$1,568,524	1.11%	\$1,308,317	0.93%	\$2,876,841	2.04%
11	Total Minority Business Enterprise (MBE)		Direct	\$1,690,337	1.20%	\$4,190,160	2.97%	\$5,880,497	4.16%
12	Women Business Enterprise (WBE)		Direct	\$3,148,050	2.23%	\$534,939	0.38%	\$3,682,989	2.61%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$1,931	0.00%	\$0	0.00%	\$1,931	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$0	0.00%	\$19,000	0.00%	\$19,000	0.01%
15	Other 8(a)*		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>		<b>Direct</b>	<b>\$4,840,318</b>	<b>3.43%</b>	<b>\$4,744,099</b>	<b>3.34%</b>	<b>\$9,584,417</b>	<b>6.78%</b>
17	<b>Total Product Procurement</b>			<b>\$4,840,318</b>					
18	<b>Total Service Procurement</b>			<b>\$4,744,099</b>					
19	<b>Net Procurement**</b>			<b>141,287,605.00</b>					
20	<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>			<b>36</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



## 9.1.2

# WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

### San Jose Water • G.O. #156 Sec. 9.1.2

			Products		Services		Total	
			\$	%	\$	%	\$	%
1		Asian Pacific American	Sub \$0	0.00%	\$150,344	0.11%	\$150,344	0.11%
2		African American	Sub \$0	0.00%	\$0	0.00%	\$0	0.00%
3	Minority Male	Hispanic American	Sub \$45,057	0.03%	\$98,466	0.07%	\$143,523	0.10%
4		Native American	Sub \$19,501	0.01%	\$0	0.00%	\$19,501	0.01%
5		Total Minority Male	Sub \$64,558	0.05%	\$248,810	0.18%	\$313,368	0.22%
6		Asian Pacific American	Sub \$0	0.00%	\$145,952	0.10%	\$145,952	0.10%
7	Minority Female	African American	Sub \$184	0.00%	\$0	0.00%	\$184	0.00%
8		Hispanic American	Sub \$333,056	0.24%	\$0	0.00%	\$333,056	0.24%
9		Native American	Sub \$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Sub \$333,240	0.24%	\$145,952	0.10%	\$479,192	0.34%
11	Total Minority Business Enterprise (MBE)		Sub \$397,798	0.28%	\$394,762	0.28%	\$792,560	0.56%
12	Women Business Enterprise (WBE)		Sub \$555,261	0.39%	\$2,910,792	2.06%	\$3,466,053	2.45%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub \$3,199	0.00%	\$0	0.00%	\$3,199	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub \$4,132,708	2.93%	\$235,412	0.17%	\$4,368,120	3.09%
15	Other 8(a)*		Sub	0.00%		0.00%	\$0	0.00%
16	<b>TOTAL WMDVLGBTBE</b>		<b>Sub \$5,088,966</b>	<b>3.60%</b>	<b>\$3,540,966</b>	<b>2.51%</b>	<b>\$8,629,932</b>	<b>6.11%</b>
17	<b>Total Product Procurement</b>		<b>\$5,088,966</b>					
18	<b>Total Service Procurement</b>		<b>\$3,540,966</b>					
19	<b>Net Procurement**</b>		<b>141,287,605.00</b>					
20	<b>Total Number of WMDVLGBTBEs that Received Subcont. Spend</b>		<b>32</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





## 9.1.2

### WMDVLGBTBE Procurement by Standard Industrial Categories (cont.)

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Lesbian, Gay, Bisexual, Transgender, Enterprise (LGBTBE)		Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDV LGTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)				
57	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$20,835
57	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
58	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$2,758
58	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
59	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$84,977
59	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
60	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	-\$182,681
60	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
62	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$379,426
62	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
63	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$215,871
63	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
64	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$234,962
64	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
65	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$19,719
65	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
67	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$6,860
67	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
70	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$1,039
70	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
72	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$182,647
72	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%
73	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$4,555,299
73	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.4%
75	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$1,139,616
75	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
76	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$65,271
76	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
79	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$47,395
79	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
80	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
80	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
81	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$1,604,039
81	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%
82	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$12,128
82	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
83	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$44,100
83	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
86	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$5,000
86	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
87	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$15,769,317
87	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.2%
89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$218,018
89	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
92	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$43,545
92	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
93	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$21,336
93	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
94	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
94	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
95	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
95	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
96	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0
96	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$18,347,312
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.0%
TOTAL	\$ 614,922	\$ 1,593,586	\$ 200,000	\$ 32,008	\$ 1,861,232	\$ 1,730,436	\$ 690,987	\$ 0	\$ 6,687,274	\$ 7,098,921	\$ 5,130	\$ 4,387,120	\$ 18,214,342	\$ 141,287,605.00
TOTAL	0.4%	1.1%	0.1%	0.0%	1.3%	1.2%	0.5%	0.0%	4.7%	5.0%	0.0%	3.1%	12.9%	100.0%
<b>Total Product Procurement \$9,929,284</b> <b>Total Service Procurement \$8,285,065</b> <b>Net Procurement*** \$141,287,605</b>														

NOTE: \*FIRMS WITH MULTIPLE MINORITY OWNERSHIP STATUS  
 \*\*FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\*\*NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY  
 % - PERCENTAGE OF TOTAL DOLLARS  
 \*\*\*\*Reflects data for all direct S.J.W.C DBE spend

## 9.1.2

# Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

### 2019 Report • G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)

#### Data on Number of Suppliers

# WMDVLGBTBEs	Revenue Reported to CHS					Grand Total	Utility-Specific 2019 Summary					Grand Total
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*		MBE	WBE	LGBTBE	DVBE	Other 8(a)*	
Under \$1 million	6	3	1			10	22	11	1			34
Under \$5 million	4	4		1		9	1	1		1		3
Under \$10 million	4	1				5						0
Above \$10 million	9	4				13						0
<b>TOTAL</b>	<b>23</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>37</b>	<b>23</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>37</b>

#### Revenue and Payment Data

WMDVLGBTBE \$M	Revenue Reported to CHS					Grand Total	Utility-Specific 2019 Summary					Grand Total
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*		MBE	WBE	LGBTBE	DVBE	Other 8(a)*	
Under \$1 million	\$1,361,000	\$2,616,858	\$373,567.00			\$4,351,425	\$4,485,496	\$596,286	\$1,931	\$19,000		\$5,102,713
Under \$5 million	\$5,016,005	\$12,734,299		\$4,500,000		\$22,250,304	\$1,395,000	\$3,086,703				\$4,481,703
Under \$10 million	\$28,236,707	\$7,200,000				\$35,436,707						\$0
Above \$10 million	\$8,437,885,654	\$3,677,484,062				\$12,115,369,716						\$0
<b>TOTAL</b>	<b>\$8,472,499,366</b>	<b>\$3,700,035,219</b>	<b>\$373,567</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$12,177,408,152</b>	<b>\$5,880,496</b>	<b>\$3,682,989</b>	<b>\$1,931</b>	<b>\$19,000</b>	<b>\$0</b>	<b>\$9,584,416</b>

NOTE:

\* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

CHS:

SUPPLIER CLEARINGHOUSE

\*\* Reflects data for all direct SJWC DBE spend

Note: SMT split as MBE and WBE, therefore counts as 2 suppliers bringing total from 34 to 35



## 9.1.2

### Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

San Jose Water • G.O. #156 Sec. 9.1.2

In 2019, SJW conducted business directly with 30 diverse companies headquartered\* in California with a total workforce of 2,081 employees and a total revenue of \$4.051B. The average revenue for a supplier within this dataset is \$135.2M. San Jose Water spent \$4.4M with CA based suppliers in 2019.

\*Information for this report was taken from the CPUC Clearinghouse database as of 12/31/2019. It is assumed that suppliers listed in the Clearinghouse, with California addresses, are California-based companies, and the number of employees listed for these suppliers are all part of the California workforce.





### 9.1.3

## WMDVLGBTBE Program Expenses

San Jose Water • G.O. #156 Sec. 9.1.3

Expense Category	2019 (Actual)
Wages	\$105,560
Other Employee Expenses	\$0
Program Expenses	\$76,500
Reporting Expenses	\$5,000
Training	\$0
Consultants	\$4,113
Other	\$26,127
<b>TOTAL</b>	<b>\$217,300</b>

Wages: 70% of 1 FTE salary

Program Expenses: Payment to Avisare (\$35,200) + 70% of \$59K budget

Reporting Expenses: \$5K for CPUC report printing

Consultants: Portion of USDP budget allocated to SJW for consultants (\$5540 as per 1/19/2019 email from J. Espinoza)

Other: Portion of Total USDP budget allocated to SJW (\$26520, representing 17% of CWA budget)



## 9.1.4

### Description of Progress in Meeting or Exceeding Set Goals

#### San Jose Water • G.O. #156 Sec. 9.1.4

SJW's diverse business utilization for 2019 was 12.9%, a 2.1 percentage point decrease in spend percentage, when compared to 2018, falling short of the 21.5% overall goal promoted by the CPUC.

There were several factors that affected our ability to meet the 21.5% goal, including:

- As a smaller company within the water industry, the loss or addition of a major diverse supplier can have a profound effect on our results. In 2019, SJW lost our top two diverse suppliers from 2018. To emphasize the negative impact on our results, if we had removed these two suppliers from our 2018 results, we would have lost \$8.8M – resulting in an overall diverse spend percentage of 8.7% instead of 15.0%. Had we been able to count these suppliers in our 2019 results, we would have achieved an overall diverse spend percentage of nearly 18%, instead of 12.9%.
- One of the two top diverse suppliers lost was Lopes Electric. SJW had built a nearly two-decade relationship with Lopes Electric. They had become a critical part of our supply chain for both SJW and at least 4 of our prime suppliers. SJW relies heavily on our partnership with Lopes and counted on their expertise and their contribution as an MBE (Hispanic American), CPUC certified supplier. Late in 2018, I was informed by Lopes Electric that their application to recertify with the CPUC had been denied due to the fact that the owner was of Portuguese heritage, which did not count as Hispanic American under current CPUC policy. On January 15, 2019 Tim McLaughlin, SJW Supplier Diversity Manager, submitted an appeal of this judgement to the CPUC, stating that Lopes Electric had been certified (and recertified) by the CPUC several times for nearly two decades. The judgement was not overturned – resulting in Lopes Electric losing their certification prior to 2019. SJW (and several prime suppliers) continue to utilize Lopes Electric even though they have lost their certification. They are critical to our supply chain. Moving away from Lopes Electric, and the associated loss of business, could have serious ramifications for Lopes Electric and could have resulted in their inability to continue as a viable business.
- SJW increased its emphasis on the Prime Supplier Program (PSP) in 2019. Additional meetings were held with primes to outline changes in the PSP regarding tracking, reporting and expectations. Contract language was changed to reflect set goals for performance.
- These changes resulted in a 34% increase in prime supplier subcontracting to diverse suppliers. The PSP program changes also lead to the addition of a DVBE subcontractor into the supply chain, resulting in \$4.4M of DVBE spend (3.1%), allowing SJW to exceed the CPUC DVBE goal of 1.5%.
- The top 80% of our net spend is comprised of approximately 25 suppliers that often are involved in multi-year contracts. There has been little supplier turnover within the top 80% of the addressable spend, therefore, fewer bid opportunities exist within this supplier set. However, SJW was able to add one supplier with over \$4M in spend in 2019. This helped to counteract the negative effects of losing two of our top diverse supplies.
- Disabled Veteran-Owned Business Enterprise (DVBE) spend was \$4.4M, representing 3.1% of our 2019 addressable spend. Women-owned Business Enterprise (WBE) spend was \$7.1M representing a 97% increase over 2018 and 5.1% of our 2019 addressable spend. For the first time in over four years, SJW has met two of the three sub goals set forth by the CPUC (1.5% DVBE and 5% WBE).
- Minority spend was a significant challenge in 2019. Both of the top two suppliers lost in 2019 were MBEs. Although there were several MBE suppliers added in 2019, most of the significant diverse spend came from WBE and DVBE suppliers.

### 9.1.4

## WMDVLGBTBE Results and Goals

San Jose Water • G.O. #156 Sec. 9.1.4

Category	2019 Results	2020 Goals
Minority Men	2.35%	7.50%
Minority Women	2.38%	7.50%
Minority Business Enterprise (MBE)	4.72%	15.00%
Women Business Enterprise (WBE)	5.06%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.00%	0.00%
Disabled Veteran Business (DVBE)	3.11%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>12.89%</b>	<b>21.50%</b>

% - PERCENTAGE OF NET PROCUREMENT





SAN JOSE WATER





## 9.1.5

# Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

San Jose Water • G.O. #156 Sec. 9.1.5

In 2019, Prime Supplier subcontracting to diverse suppliers increased by 34%, from \$6.4M in 2018 to \$8.6M in 2019. SJW showed a modest increase in the number of prime suppliers reporting diverse subcontracting. Significant changes were made to contracts, reflecting much stronger supplier diversity language and the requirement to meet specific goals. The Supplier Diversity Manager, Champions, and sourcing personnel continue to work with prime suppliers to increase utilization of diverse businesses. SJW encourages its prime suppliers to review their operations to identify areas suitable for diverse supplier participation.

### Prime Supplier Matchmaking Events

In 2019, SJW continued to partner with other CWA USDP members to sponsor and lead a Prime Supplier Matchmaking event held on June 5, 2019. The matchmaker event, held in Southern California, provided information to DBEs on how to participate in key water infrastructure capital projects and offered water utility prime suppliers the chance to interface with a variety of qualified diverse companies.



## 9.1.5

### Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

#### San Jose Water • G.O. #156 Sec. 9.1.5

	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 WMDVLG-BTBE
Direct \$	\$3,003,656	\$2,876,840	\$5,880,496	\$3,682,989	\$1,931	\$19,000	\$0	\$9,584,416
Subcontracting \$	\$313,368	\$479,192	\$792,560	\$3,466,053	\$3,199	\$4,368,120	\$0	\$8,629,932
<b>Total \$</b>	<b>\$3,317,024</b>	<b>\$3,356,032</b>	<b>\$6,673,056</b>	<b>\$7,149,042</b>	<b>\$5,130</b>	<b>\$4,387,120</b>	<b>\$0</b>	<b>\$18,214,348</b>
Direct %	2.13%	2.04%	4.16%	2.61%	0.00%	0.01%	0.00%	6.78%
Subcontracting %	0.22%	0.34%	0.56%	2.45%	0.00%	3.09%	0.00%	6.11%
<b>Total %</b>	<b>2.35%</b>	<b>2.38%</b>	<b>4.72%</b>	<b>5.06%</b>	<b>0.00%</b>	<b>3.11%</b>	<b>0.00%</b>	<b>12.89%</b>

Net Procurement\*\* \$141,287,605

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

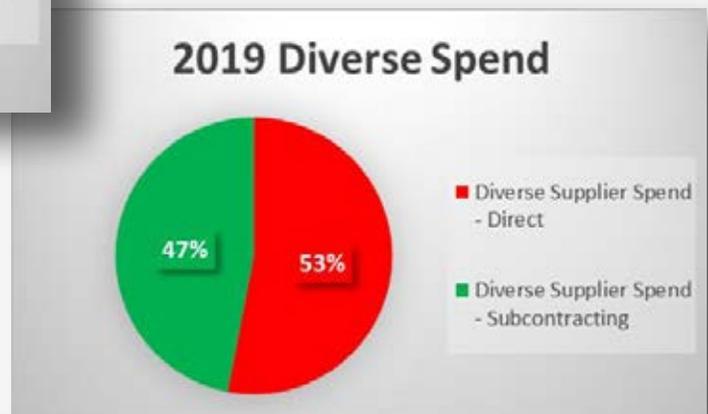
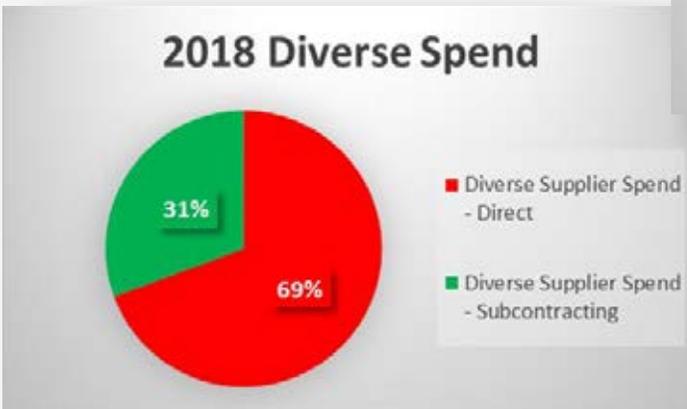
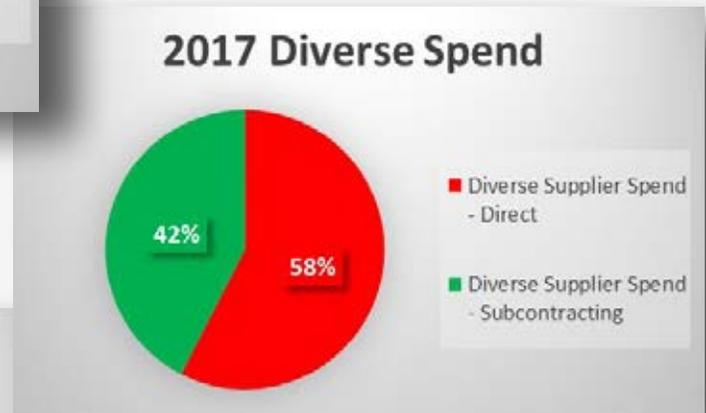
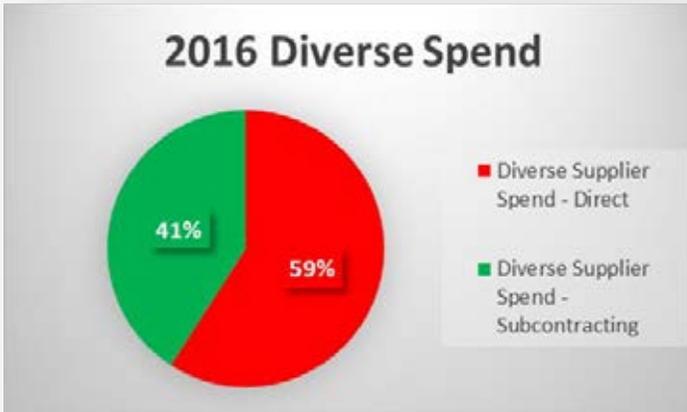
% - PERCENTAGE OF NET PROCUREMENT

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

## 9.1.5

### Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors (cont.)





## 9.1.6

### A List of WMDVLGBTBE Complaints Received and Current Status

San Jose Water • G.O. #156 Sec. 9.1.6

SJWC did not receive any formal complaints about the USDP program in 2019.

## 9.1.7

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

San Jose Water • G.O. #156 Sec. 9.1.7

#### Diverse Suppliers in Underutilized Areas

During 2019, SJW worked to increase diverse spending in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs have taken place within the following functional areas:

- Document Retention
- Legal Services
- Financial Services
- Accounting

These discussions yielded the contracting of Loop Capital Markets LLC, a full service Investment Bank providing services including: municipal finance, underwriting, public private partnership advisory services, institutional sales and trading securities, mergers & acquisitions and financial advisory services. Loop Capital provided financial support related to SJW's participation in the merger with Connecticut Water.



### 9.1.8

## Retention of all Documents / Data

San Jose Water • G.O. #156 Sec. 9.1.8

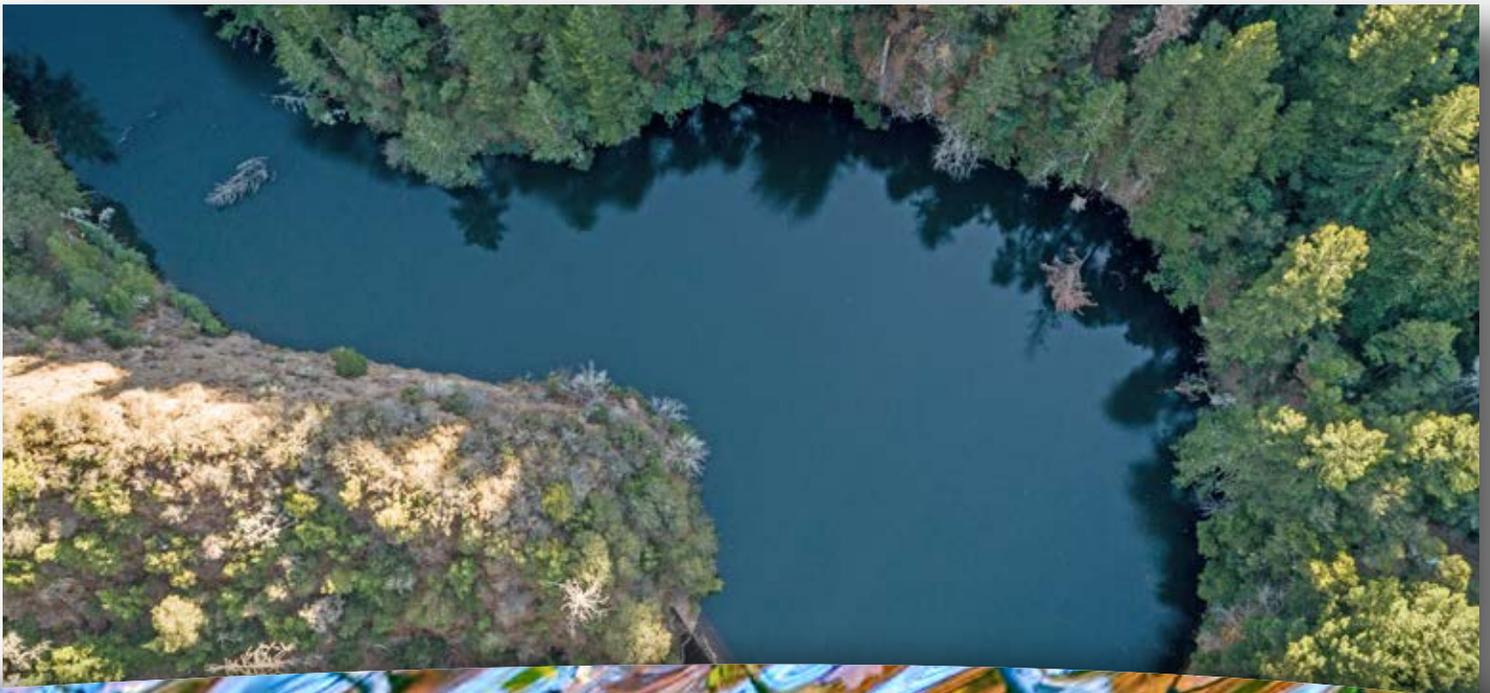
SJW has retained all documents and data necessary for the preparation of the Utility Supplier Diversity Report to the CPUC. Documents and data are retained for the longer of 3 years or as per the requirement of the SJW document retention policies. Documents and data are available at the request of the CPUC.

### 9.1.11

## WMDVLGBTBE Fuel Procurement

San Jose Water • G.O. #156 Sec. 9.1.11

Not applicable







## CALIFORNIA WATER ASSOCIATION

# Capacity-Building and Technical Assistance (CB&TA): Workshop Series

### 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, California.





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:



We had forty-two diverse suppliers attend, representing a variety of industries including: construction, consulting services, and personnel training.

Prime contractors, and decision makers listened to thirty-six capabilities presentations from diverse suppliers.

Following the presentations, we hosted one hundred one-on-one meetings for extended discussions on suppliers' value propositions.

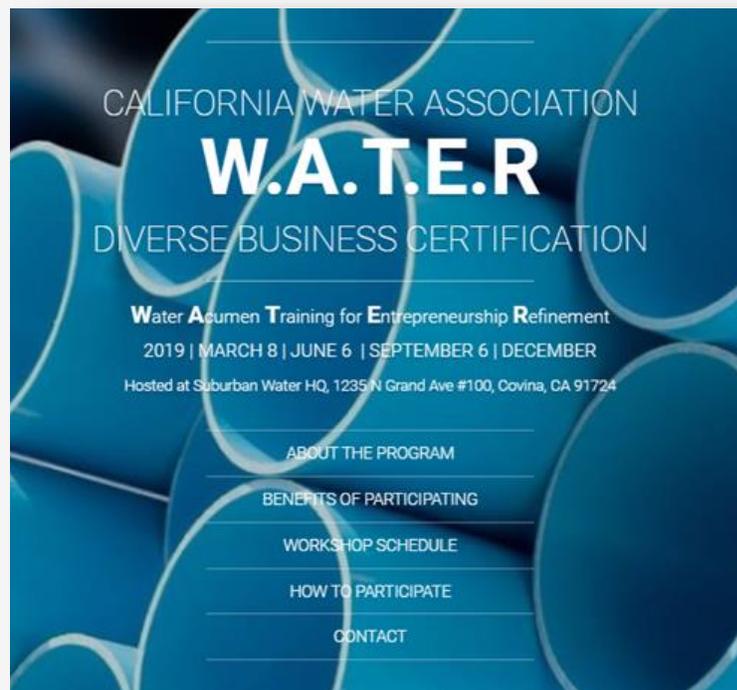
Finally, post-event surveys captured a high net promoter score (NPS) of ninety-three (out of one hundred).

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.

# CWA Water Acumen Training for Entrepreneurship Refinement Business Certification

As a member of CWA's Supplier Diversity Committee San Jose Water and six other member-utilities took a collective approach to Capacity Building & Technical Assistance by pooling resources, and delivering a unified training program advancing suppliers through education and training.



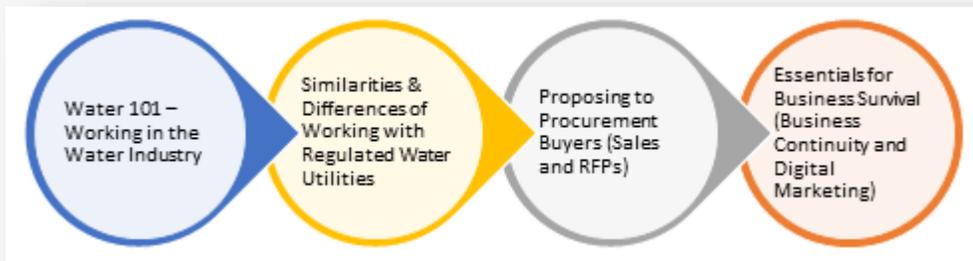
In 2019, we partnered with Melanie Rae (GUIDEDTM Business Plan, Founder), to develop a training program with relevant content for participants.

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.

Rae, M. (2019). About Guided Business Plan. Retrieved November 26, 2019, from <https://guidedbusinessplan.com/pages/about-us>.



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 approximately twenty-five current, and prospective diverse suppliers through quarterly workshops (March 8, June 6, September 6, and November 22) in Suburban Water Systems, Covina.



*Scenes from CWA W.A.T.E.R. Diverse Business Certification*



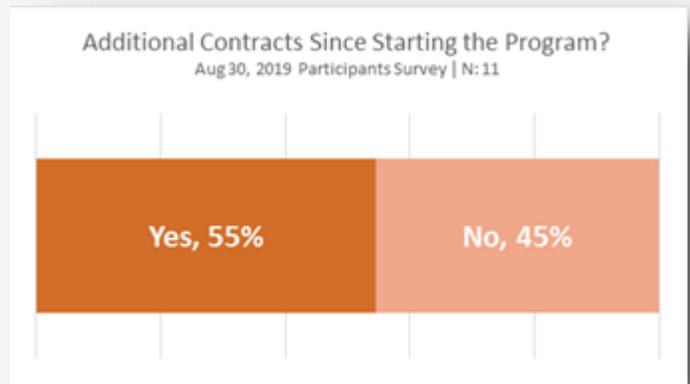


By many measurements, this training program was successful:

### Contractual Opportunities

Our training program translated into new contracting opportunities for participants.

On a mid-program survey, 55% respondents confirmed getting additional contracts with member-utilities, or the water association since starting the program.



Similarly, we measured whether participants gained new knowledge, and their assessment of the program’s design.

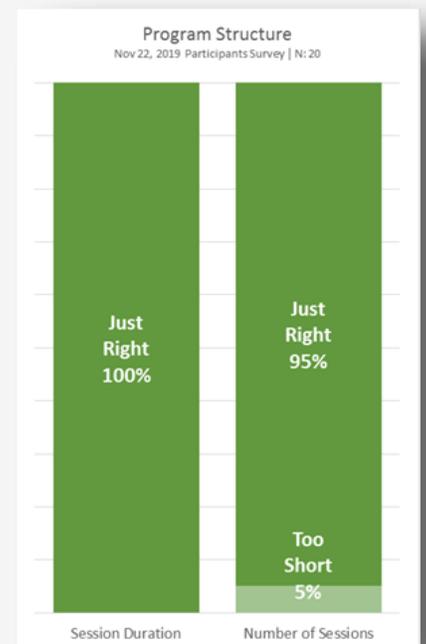


In terms of **learning**, the data supports our building-blocks approach.

We found consistent responses in terms of overall learning, and specific areas such as: similarities/differences of the member-utilities, and goods/services we procure.

In terms of **program’s structure**, metrics uphold our training format.

Participants rated both the duration, and number of training sessions positively.





## 10.1.1

# WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category

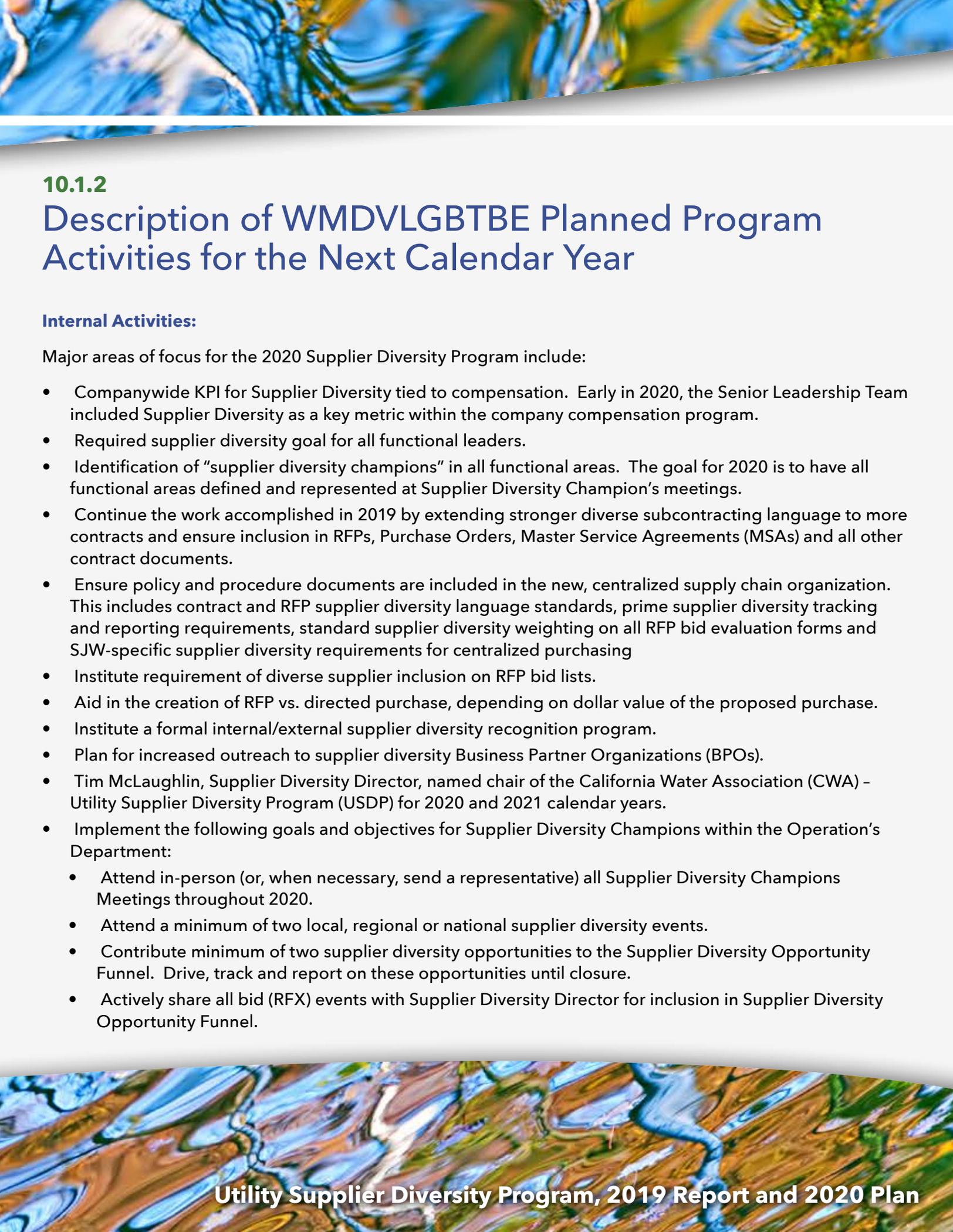
San Jose Water • G.O. #156 Sec. 10.1.1

Category	2019 Results	Short Term Goals	Mid Term Goals	Long Term Goals
Minority Men	2.35%	7.50%	7.50%	7.50%
Minority Women	2.38%	7.50%	7.50%	7.50%
Minority Business Enterprise (MBE)	4.72%	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	5.06%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.00%	0.00%	0.00%	0.00%
Disabled Veteran Business (DVBE)	3.11%	1.50%	1.50%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>12.89%</b>	<b>21.50%</b>	<b>21.50%</b>	<b>21.50%</b>

% - PERCENTAGE OF NET PROCUREMENT

Short, mid-term, and long-term goals are identified at the level called out by GO 156 and are subject to change from year to year. Although breaking down goals by SIC code is not practical, SJW has shown a consistent profile of nearly 50% of SJW spend in the construction, engineering, and construction services categories. For a detailed view of current and future purchase profiles by SIC code, please refer to tables contained within section 9.1.2.





## 10.1.2

# Description of WMDVLGBTBE Planned Program Activities for the Next Calendar Year

### Internal Activities:

Major areas of focus for the 2020 Supplier Diversity Program include:

- Companywide KPI for Supplier Diversity tied to compensation. Early in 2020, the Senior Leadership Team included Supplier Diversity as a key metric within the company compensation program.
- Required supplier diversity goal for all functional leaders.
- Identification of “supplier diversity champions” in all functional areas. The goal for 2020 is to have all functional areas defined and represented at Supplier Diversity Champion’s meetings.
- Continue the work accomplished in 2019 by extending stronger diverse subcontracting language to more contracts and ensure inclusion in RFPs, Purchase Orders, Master Service Agreements (MSAs) and all other contract documents.
- Ensure policy and procedure documents are included in the new, centralized supply chain organization. This includes contract and RFP supplier diversity language standards, prime supplier diversity tracking and reporting requirements, standard supplier diversity weighting on all RFP bid evaluation forms and SJW-specific supplier diversity requirements for centralized purchasing
- Institute requirement of diverse supplier inclusion on RFP bid lists.
- Aid in the creation of RFP vs. directed purchase, depending on dollar value of the proposed purchase.
- Institute a formal internal/external supplier diversity recognition program.
- Plan for increased outreach to supplier diversity Business Partner Organizations (BPOs).
- Tim McLaughlin, Supplier Diversity Director, named chair of the California Water Association (CWA) - Utility Supplier Diversity Program (USDV) for 2020 and 2021 calendar years.
- Implement the following goals and objectives for Supplier Diversity Champions within the Operation’s Department:
  - Attend in-person (or, when necessary, send a representative) all Supplier Diversity Champions Meetings throughout 2020.
  - Attend a minimum of two local, regional or national supplier diversity events.
  - Contribute minimum of two supplier diversity opportunities to the Supplier Diversity Opportunity Funnel. Drive, track and report on these opportunities until closure.
  - Actively share all bid (RFX) events with Supplier Diversity Director for inclusion in Supplier Diversity Opportunity Funnel.



## 10.1.2

### Description of WMDVLGBTBE Planned Program Activities for the Next Calendar Year (cont.)

- Ensure that all prime suppliers who are subcontracting to diverse suppliers, report their diverse subcontracting spend monthly to the Supplier Diversity Director.
- Insure all DBEs (direct and subcontractors) are registered within the Avisare registration portal. Insure visibility to all management.
- Complete annual review of supplier diversity website and make appropriate changes/updates.
- Complete annual review of vendor intake form and incorporate the appropriate changes/updates.
- SJW will plan and implement a minimum of one supplier matchmaking events in 2020, in high potential areas of IT, Construction/Engineering or Operations.
- Supplier Diversity Director will provide quarterly progress reports to Champions, management and other stakeholders throughout 2020. Increased emphasis will be made to insure prime suppliers are reporting on a monthly basis.
- Continued focus on the Ambassador Program, identifying and training internal personnel to represent SJW at various supplier diversity events throughout the year.
- Rollout of binders to all Supplier Diversity Champions.

#### External Activities:

- In compliance with Ordering Paragraph No. 4 of CPUC D.11-05-019 (in R.09-07-027), SJW will continue to work closely with CWA and its members to participate in the Tier 1 capacity building and technical assistance programs.
- In 2020, SJW will continue to work with CWA and its member companies to host Business Opportunity Fair meetings, encouraging prime suppliers to increase sub-contracting participation. One Meet the Primes event is scheduled to take place on June 5, 2020.
- SJW will continue to participate in and attend a variety of outreach activities with various CBO tradeshows, conferences and matchmakers.
- Tim McLaughlin, Supplier Diversity Director, to Chair the California Water Association (CWA) - Utility Supplier Diversity Program (USDP) for 2020 and 2021.
- Rollout binders to all Prime Suppliers.



### 10.1.3

## Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

San Jose Water • G.O. #156 Sec. 10.1.3

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

- Minority Owned Businesses
- Woman Owned Business
- Disabled Veteran Owned Businesses
- Gay, Lesbian, Bisexual, and Transgendered Owned Businesses

We will continue to participate in outreach to CBO's through matchmaking, panels, technical assistance, and mentoring, including but not limited to the organizations found in section 9.1.1.

During 2020, SJW will work to increase diverse spending in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs will continue in the following functional areas:

- Legal Services
- Financial Services
- Accounting
- Human Resources

### 10.1.4

## Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

San Jose Water • G.O. #156 Sec. 10.1.4

SJW's primary focus is on recruiting diverse suppliers in categories where diverse suppliers are available. However, we remain committed to identifying diverse suppliers in categories that have historically shown few, if any diverse suppliers. The method of outreach will remain the same as outlined in section 10.1.3.



## 10.1.5

### Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

San Jose Water • G.O. #156 Sec. 10.1.5

Continue the work accomplished in 2019 by extending stronger diverse subcontracting language to more contracts and insure inclusion in RFPs, Purchase Orders, Master Service Agreements (MSAs) and all other contract documents. Ensure policy and procedure documents are included in the new, centralized supply chain organization. This includes contract and RFP supplier diversity language standards, prime supplier diversity tracking and reporting requirements, standard supplier diversity weighting on all RFP bid evaluation forms and the SJW specific supplier diversity requirements for centralized purchasing. SJW will continue to participate in prime supplier contractor meetings and matchmaking events with SJW's largest prime suppliers to increase DBE sub-contracting opportunities. In addition, SJW will require monthly reporting by all prime suppliers within the Prime Supplier Program. Prime Supplier training sessions will be provided on as needed basis in order to be sure prime suppliers understand their responsibilities under the SJW Prime Supplier Program.

## 10.1.6

### Plans for Complying with WMDVLGBTBE Program Guidelines

San Jose Water • G.O. #156 Sec. 10.1.6

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

The USDP Program Director will continue to pro-actively work with USDP Champions to review, streamline, and improve policies that implement department goals and contract language to include diverse suppliers in all procurement.

## GO 156 Section 1.3 Definitions\*\*

TERM	Definition	Acronym	Certification
Minority-Owned Business Enterprises	Minority-owned business means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51 % of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined in the GO 156.	MBE	Supplier Clearinghouse
Woman-Owned Business Enterprises	Women-owned business means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.	WBE	Supplier Clearinghouse
Women, Minority-Owned Business Enterprises	WMBE means a women-owned and/or minority-owned business enterprise.	WMBE	Supplier Clearinghouse
Lesbian, Gay, Bisexual, Transgender (LGBT) Business Enterprise	LGBT-owned business means (1) a business enterprise (a) that is at least 51% owned by a lesbian, gay, bisexual, or transgender person or persons or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more lesbian, gay, bisexual, or transgender persons; and (2) whose management and daily business operations are controlled by one or more of those individuals.	LGBTBE	Supplier Clearinghouse
Women, Minority, and/or LGBT-Owned Business Enterprises	WMLGBTBE means a women-owned, minority-owned and/or LGBT-owned business enterprise. Under these rules, a woman, a minority and/or an LGBT person owning such an enterprise must be either U.S. citizens or legal aliens with permanent residence status in the United States.	WMLGBTBE	Supplier Clearinghouse

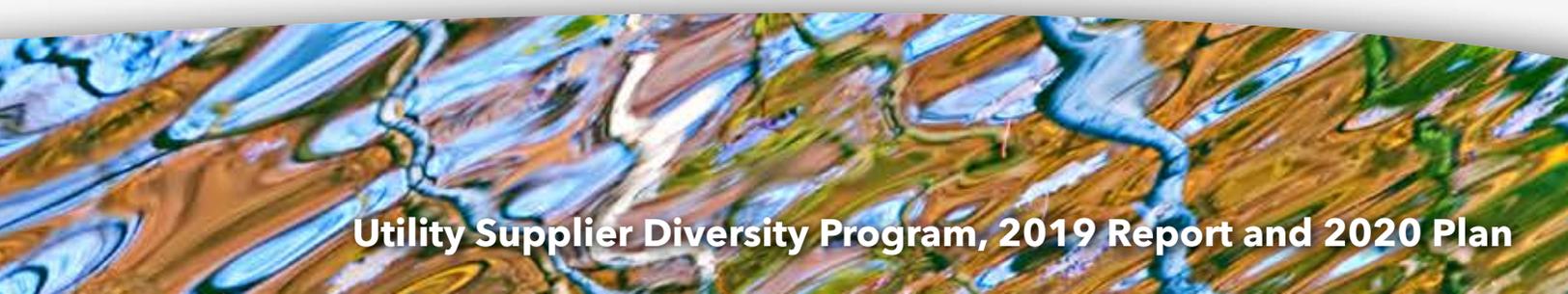


<b>TERM</b>	<b>Definition</b>	<b>Acronym</b>	<b>Certification</b>
Disabled Veteran-Owned Business Enterprises	Disabled Veteran-owned Business (1) is a sole proprietorship at least 51% owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51% of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51% of the joint venture's management and control and earnings are held by one or more disabled veterans. (2) the management and control of the daily business operations are by one or more disabled veterans. And (3) it is a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business. Disabled veteran refers to a veteran of the military, naval or air service of the United States with a service-connected disability and who is a resident of the State of California.	DVBE	DGS
Asian Pacific American	Asian Pacific Americans-persons having origins in Asia or the Indian subcontinent, including, but not limited to, persons from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, India, Pakistan, and Bangladesh.	MBE	Supplier Clearinghouse
African American	Black Americans-persons having origins in any black racial groups of Africa.	MBE	Supplier Clearinghouse
Hispanic American	Hispanic Americans-all persons of Mexican, Puerto Rican, Cuban, South or Central American, Caribbean, and other Spanish culture or origin.	MBE	Supplier Clearinghouse



<b>TERM</b>	<b>Definition</b>	<b>Acronym</b>	<b>Certification</b>
Native American	Native Americans-persons having origin in any of the original peoples of North America or the Hawaiian Islands, in particular, American Indians, Eskimos, Aleuts, and Native Hawaiians.	MBE	Supplier Clearinghouse
Other 8(a)	Other groups, or individuals, found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of Small Business Act as amended (15 U.S.C. 637(a)), or the Secretary of Commerce pursuant to Section 5 of Executive Order 11625. May include non-WMDV/LGBTBEs firms.	8(a)	U.S. Small Business Administration
Subcontracting	<p>Subcontract' means any agreement or arrangement between a contractor and any party or person (in which the parties do not stand in the relationship of an employer and an employee):</p> <ol style="list-style-type: none"><li>1. For the furnishing of supplies or services for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts; or</li><li>2. Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.</li></ol>	Tier 2 (Tier 3, etc. when applicable)	Supplier Clearinghouse, DGS & U.S. Small Business Administration

\*\* These definitions are not proposed amendments to Section 1.3 of GO 156. The purpose of these definitions is to provide convenient reference in preparing GO 156 reports.





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