



# GO 156 Report

Year 2011 Utility Procurement  
of Goods, Services and Fuel  
from

Women-, Minority-, and Disabled Veteran-owned Business Enterprises



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## GO 156 Report to the Legislature

### CPUC's 25th Annual Diversity Procurement Report

- Details progress by utilities in procuring goods, services, and fuel from women-, minority-, and disabled veteran-owned business enterprises (WMDVBEs).
- 21.5% procurement from diverse suppliers.
  - The goals are 15 percent, 5 percent, and 1.5 percent for minority-owned, women-owned, and disabled veteran-owned businesses, respectively.

### 34 Utilities & Carriers Filed Annual Reports

1. Large utilities (12) are those with annual total procurement of over \$150 million.
2. Small utilities (22) are those with less than \$150 million in annual total procurement.





## GO 156 Report – Overview of Procurement

- Utility spending from diverse suppliers increased from \$5.2 billion in 2010 to \$7.2 billion in 2011.
- For 2011, there was also an increase in the percentage of total utility procurement from WMDVBE firms; it climbed from 23% in 2010 to 30% in 2011.

Category	<b>2010</b> Diversity Procurement Amount	Percentage Achieved	<b>2011</b> Diversity Procurement Amount	Percentage Achieved	Goal
MBE	\$3.4 billion	15%	\$4.7 billion	19.3%	15%
WBE	\$1.6 billion	7.1%	\$2.2 billion	9.4%	5%
DVBE	\$0.2 billion	0.9%	\$0.3 billion	1.3%	1.5%
<b>Total</b>	<b>\$5.2 billion</b>	<b>23%</b>	<b>\$7.2 billion</b>	<b>30%</b>	<b>21.5%</b>





## 2011 Top Performers

Company	<u>2010</u> Diversity Procurement	Percentage Achieved	<u>2011</u> Diversity Procurement	Percentage Achieved
Verizon Wire-line	\$123 million	41.30%	\$124 million	44.31%
AT&T Wire-line	\$949 million	40.05%	\$1.05 billion	44.09%
SoCalGas	\$230 million	37.42%	\$308 million	38.12%
SDG&E	\$385 million	36.90%	\$546 million	38.13%
PG&E	\$1,134 million	32.68%	\$1.6 billion	36.56%
Edison	\$1,104 million	27.10%	\$1.4 billion	33.73%
Cal-AM	\$17 million	26.20%	\$20 million	28.79%
Sprint Wireless	\$341 million	15.60%	\$686 million	27.76%





## Who met all three goals?

*GO156 goal = 21.5% of total procurement from diverse suppliers*

	<b>15% Minority</b>	<b>5% Women</b>	<b>1.5% DVBE</b>
AT&T Wire-line	27.38%	11.79%	4.92%
SoCalGas	24.99%	11.54%	1.59%
SDG&E	22.54%	12.07%	3.52%
PG&E	23.07%	11.67%	1.82%





## GO 156 Report – Overview of Fuel Report

Total Utility WMDVBE Fuel Procurement for 2011:  
\$510 million as compared to 2010, which was \$522 million.

Utility	2011 Total Procurement	2011 Diversity Procurement	Percentage Achieved	Goal
SDG&E	\$192,098,722	\$65,551,453	34.12%	21.5%
SoCalGas	\$2,037,041,170	\$281,513,705	13.82%	21.5%
PG&E	\$1,718,810,000	\$163,340,000	9.50%	21.5%
Edison	\$449,360,000	\$0.00	0.00%	21.5%



## GO 156 – What's Next...

- 34 companies file annual GO156 reports, however, 98% of the procurement comes from 12 companies.
  - We need to shift our focus to the smaller companies and partner with AT&T, Sempra, PG&E, Sprint, Verizon and Edison to lead the way for the rest.
  - The goal should now be shifted to getting all 34 companies to reach the 21.5% goal.
- There are about 7,000 certified diverse suppliers in the Clearinghouse database, but only about 40% of them have ever received a contract.
  - Supplier diversity is also about creating new opportunities and opening new doors.
  - The goal should be to increase sub-contracting and utilize the Clearinghouse database to make supplier pools more competitive.





## GO 156 – Challenge

- Last year, I challenged Comcast, Cox, and Time-Warner to join GO156.
- Comcast has taken on the challenge and in 2011 procured \$56.8 million or 20.02% from diverse suppliers.
- I hope to see Cox and Time-Warner embrace the parameters of GO156 and file reports accordingly.







## CPUC Procurement Diversity\*

	<i>Fiscal Year</i>	<i>Fiscal Year</i>
	<i>2010-11</i>	<i>2011-12</i>
<b>Small Business</b>		
<b>Goal: 25%</b>	<b>21.24 %</b>	<b>16.33%</b>
	(\$11.36 M)	(\$16.82 M)
<b>Disabled Veteran Business Enterprises</b>		
<b>Goal: 3%</b>	<b>01.47 %</b>	<b>03.15%</b>
	(\$ 0.785 M)	(\$3.24 M)

\* Proposition 209 prohibits preferential treatment of any individual or group in public contracting on the basis of race, sex, color, ethnicity, or national origin.





**Thank You**

