



GO 156 Report

Year 2014 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 29th 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.

33 Utilities & Carriers Filed Annual Reports

1. Large utilities (12) are those with annual total procurement of over \$150 million.
2. Small utilities (21) are those with less than \$150 million in annual total procurement.





GO 156 Report – Overview of Procurement

- ❑ Utility spending from diverse suppliers increased from \$8.65 billion in 2013 to \$8.67 billion in 2014.
- ❑ For 2014, there was a decrease in the percentage of total utility procurement from WMDVBE firms; a decrease from 35.22% in 2013 to 32.86% in 2014.
 - WMDVBE procurement can show increases in dollars in certain periods, but not necessarily in percentage amounts.

Category	2013 Diversity Procurement Amount	Percentage Achieved	2014 Diversity Procurement Amount	Percentage Achieved	Goal
MBE	\$6.0 billion	24.45%	\$5.82 billion	22.07%	15%
WBE	\$2.3 billion	9.24%	\$2.47 billion	9.36%	5%
DVBE	\$0.37 billion	1.52%	\$0.38 billion	1.43%	1.5%
Total	\$8.65 billion	35.22%	\$8.67 billion	32.86%	21.5%





2014 Top Performers

Company	2014 Diversity Procurement	Percentage Achieved	2013 Diversity Procurement	Percentage Achieved
AT&T California	\$1.1 billion	41.74%	\$1.2 billion	50.28%
Verizon California	\$111.2 million	49.11%	\$115.1 million	48.84%
SoCalGas	\$571.4 million	48.42%	\$428.5 million	45.38%
SDG&E	\$491.8 million	44.44%	\$453.4 million	44.88%
PG&E	\$2.1 billion	40.92%	\$2.3 billion	42.10%
Sprint	\$684.1 million	50.03%	\$546.3 million	41.88%
SCE	\$1.6 billion	44.9%	\$1.4 billion	40.99%





Who Met All Three Goals?

GO156 goal = 21.5% of total procurement from diverse suppliers

	15% Minority	5% Women	1.5% DVBE
AT&T California	27.83%	11.00%	2.90%
California Water Service	15.44%	6.42%	2.18%
PG&E	26.44%	12.05%	2.42%
SDG&E	29.84%	12.34%	2.27%
SCE	26.47%	16.15%	2.34%
SoCalGas	33.08%	13.02%	2.32%
Verizon California	25.89%	17.43%	5.80%





GO 156 Report – Overview of Power Report

Total Utility WMDVBE Power Procurement for 2014 was \$480 million, representing a 20 % increase from 2013.

Utility	2014 Total Procurement	2014 Diversity Procurement	Percentage Achieved	Goal
SDG&E	\$1.2 billion	\$104 million	8.7%	21.5%
PG&E	\$4.1 billion	\$120 million	2.9 %	21.5%
SCE	\$3.9 billion	\$257 million	6.5%	21.5%



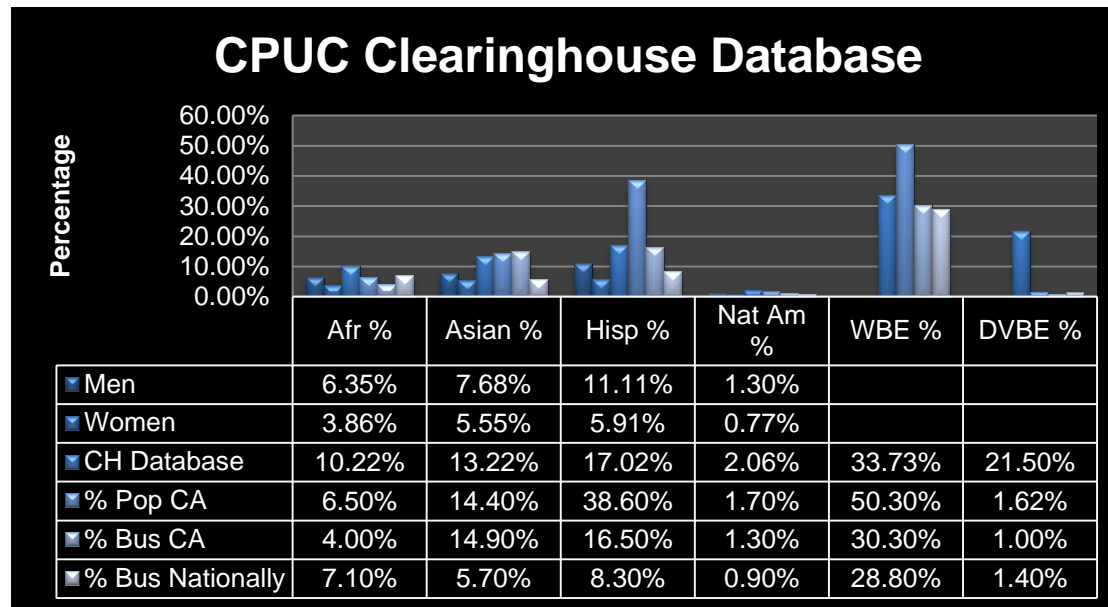
GO 156 Report – Overview of Fuel Report

Total Utility WMDVBE Fuel Procurement for 2014:
\$530 million as compared to 2013, which was \$504 million.

Utility	2014 Total Procurement	2014 Diversity Procurement	Percentage Achieved	Goal
SoCalGas	\$1.9 billion	\$330 million	16.6%	21.5%
PG&E	\$1.1 billion	\$168 million	15.1%	21.5%
SCE	\$1 million	\$1 million	100%	21.5%



CPUC Supplier Clearinghouse Database

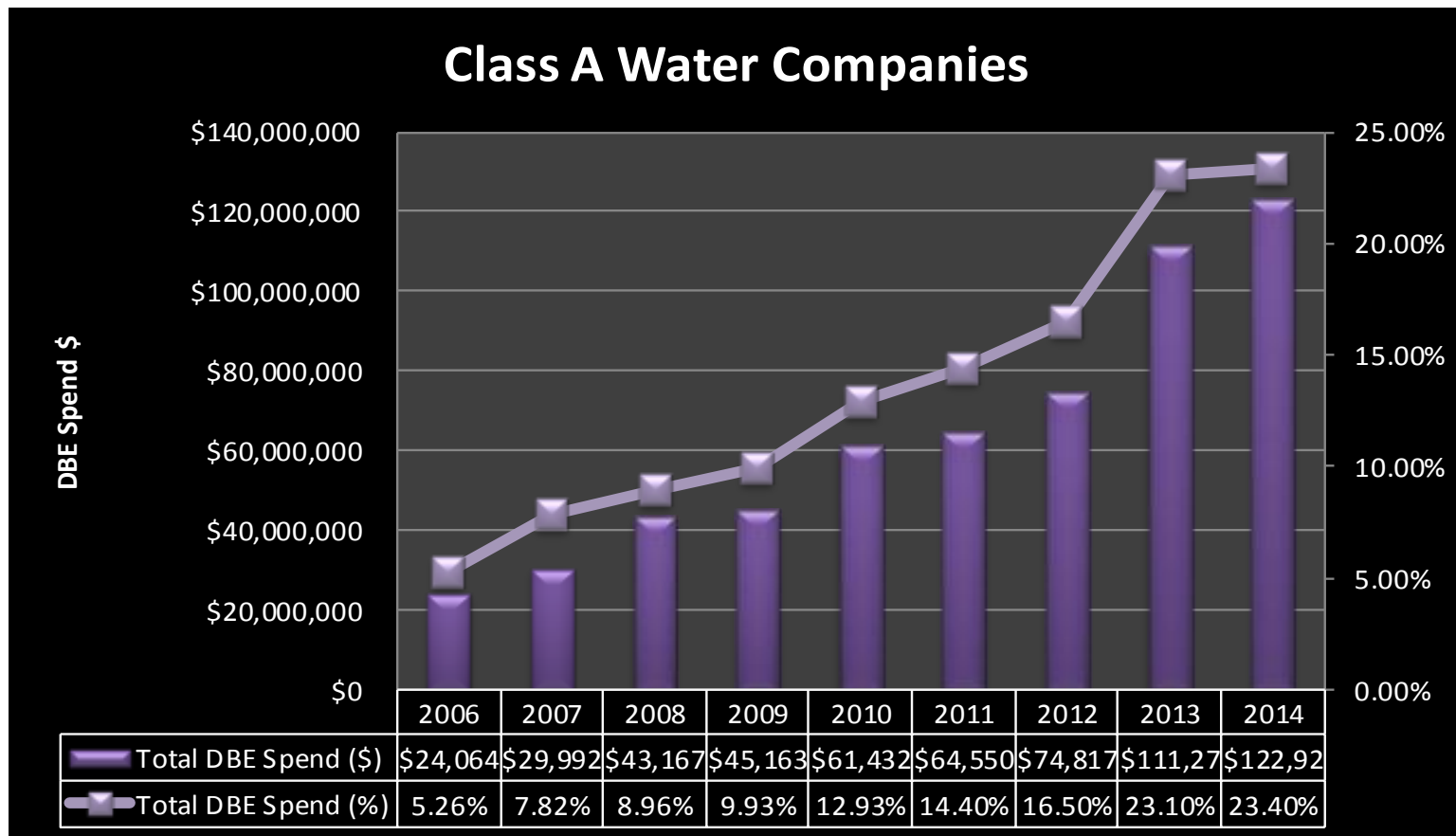


Note: <http://quickfacts.census.gov/qfd/states/06000.html> (9/29/2015). DVBE figures estimated from Alliance and US Bureau of Labor statistics.





Charting Progress With the Class A Water Companies Nine Years of Increased WMDVBE Spend





California American Water Co. - A case study on WMDVBE value

The California Water Company (a Class A Water Company) sampled 29 WMDVBE contracts from 2014 and found that when selecting diverse suppliers:

- They realized a median savings of 14% (when compared to the other bids); and
- The savings equated to a little bit over \$1M.

California Water Company was able to demonstrate program value as a percent of savings (as well as the dollar (\$) value) to their operations and to their more than 600,000 customers in multiple locations throughout California.





2014 General Order 156 Program Highlights

What did we say?	What did we do?
<ul style="list-style-type: none"> Place emphasis on smaller utilities' participation in GO 156 	<ul style="list-style-type: none"> Met with all 33 utilities in 2014 to discuss increased participation in GO 156; Enhanced CPUC staff understanding of barriers that impeded GO 156 success; Evaluated a new set of best practices Smaller utilities increased spend by 18.91%
<ul style="list-style-type: none"> Increase the number of certified diverse suppliers in the supplier clearinghouse database; was 7,400 	<ul style="list-style-type: none"> Increased the number of diverse suppliers in the supplier clearinghouse; now stands at 8,700, an increase of 17.6%
<ul style="list-style-type: none"> Increase % of spend in subcontracting with diverse firms 	<ul style="list-style-type: none"> Increased subcontracting with diverse firms by 10.9%
<ul style="list-style-type: none"> Increase % of spend in underutilized areas of the program, i.e., legal, financial services 	<ul style="list-style-type: none"> Increased: Legal by 5.9 %; Financial Services by 5.1%
<ul style="list-style-type: none"> Hold workshops Develop plans for next audit 	<ul style="list-style-type: none"> Held CPUC staff workshop on Integrating LGBTBE into GO 156; Planned the next audit with CPUC's Auditing Division for AT&T
<ul style="list-style-type: none"> Integrate LGBTBEs (AB1678) into GO 156 	<ul style="list-style-type: none"> Initiated GO 156 OIR to integrate AB1678; CPUC approved June 2015





GO 156 – What’s Next?

- ❑ The CPUC and its staff will continue to look for ways to evaluate the overall effectiveness and success of the supplier diversity programs of the utilities by:
 - Ensuring strong Database utilization (i.e., percent of spend and WMDVBE/LGBTBE availability);
 - Integrating and encouraging the full participation of LGBTBE into GO 156
 - Issuing Data Requests to all utilities to provide information on program value (i.e., percent of savings to the utilities and ratepayers);
 - Quantifying the value of supplier diversity to GO 156 (i.e., value to the utilities’ service communities/job creation and California’s vital economy); implement phase II of the study;
 - Encouraging safety awareness programs of the utilities (i.e., encouraging WMDVBE/LGBTBEs to fully integrate safety programs as part of their service quality);
 - Working with CBOs and others to increase the Supplier Clearinghouse talent pool for known gaps in underutilized areas of a utility’s spend; and developing best practices for sustaining supplier diversity performance into the 21st century and beyond;
 - Continuing to encourage the growth/participation of smaller utilities in our General Order 156 Supplier Diversity Program;
 - Continuing to encourage larger utilities to leverage supplier diversity best practices, and to sustain their performance.

- ❑ The CPUC encourages Time-Warner to embrace the parameters of GO 156 and file its report accordingly. Cox has agreed to ramp up its California reporting to comply with GO 156.





Thank You

