

Utility Supplier Diversity Report to the California Public Utilities Commission

Women-owned, Minority-owned and Disabled Veteran-owned Business
Enterprise Procurement

2013 Report

2014 Plan

Prepared by: Charmaine Jackson, CPSD, (U-168-W)

Supplier Diversity Program Manager

In response to CPUC General Order 156



The San Jose Water Company's supplier diversity program is a true reflection of the community we serve.

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San Jose Water Company



At San Jose Water Company (SJWC) the delivery of exceptional customer service is our first priority. Our mission is to provide safe, reliable, high quality water service at a fair and reasonable price. These priorities require us to manage our business with both efficiency and integrity. Therefore, our commitment to include the best suppliers in our supply chain is a natural extension of these priorities. We strongly believe that the best in class suppliers not only provide quality and competitive price but also ultimately reflect the community and the customers we serve.

This year we are pleased to report that our procurement efforts, emphasizing diverse-owned businesses, have resulted in over \$18.1 million or 19.6% in goods and services provided to SJWC by women, minority, and service-disabled veteran-owned businesses. For the first time, SJWC exceeded the California Public Utilities Commission's (CPUC) 1.5% Disabled Veteran Business Enterprise goal ending the year with more than \$1.4 million in procurement with service-disabled veteran-owned businesses.

I reflect back to the beginning of this program in 2004, when our initial measure of minority business participation was less than \$300,000 per year. We realized that an important task for us was to understand, identify and remove any impediments faced by such suppliers to do business with San Jose Water Company. In these past years, we've worked to reduce any such obstacles, and now, in 2013, SJWC's commitments to these efforts are stronger than ever. We have steadily increased not only the amount of direct procurement with diverse businesses, with the support of our largest partners, but we have also increased the total sub-contracting efforts with diverse businesses.

While we are pleased with our progress, we look forward to continued improvement in building a strong and sustainable diverse supply chain. I am therefore confident that our unwavering focus and commitment to supplier diversity will continue to fuel our operational success.

A handwritten signature in black ink, appearing to read 'WRoth', followed by a horizontal line extending to the right.

W. Richard Roth
Chairman, President and CEO
San Jose Water Company

This filing complies with the requirements of California Public Utilities Commission's (CPUC) General Order 156, and contains the 2013 Annual Report and the 2014 Annual Plan of San Jose Water Company's (SJWC) Utility Supplier Diversity Program (USDP). The annual report describes the program activities and results achieved for the period of January 1 through December 31, 2013. This report will serve as SJWC's second report to the CPUC under the guidelines of General Order 156.

2013 Annual Report Summary of Program and Highlights

SJWC's commitment to the CPUC USDP program and its goal to provide access and opportunity to women-, minority- and disabled veteran-owned business (WMDVBE) enterprises continues to progress in both program and process development.

SJWC's overall procurement totaled \$92.4 million. In 2013, the company's procurement for goods and services with WMDVBE's represents \$18.1 million or 19.6% of total company procurement spend. Our 2013 results increased by \$638,000 or approximately 4% with diverse businesses over 2012. The company's collaborative efforts with the other Class A water companies assisted in the focus of key program initiatives to help build best in class sustainable supplier diversity initiatives. SJWC's year over year procurement growth with MWDVBE's resulted in increases in the following categories:

- Women business enterprise (WBE) spend reached its all-time high of **\$2.4 million**. This is an increase of **\$200,000** or **10%**.
- Disabled veteran business enterprise (DVBE) procurement in 2013 will exceed the CPUC's goal of 1.5% with **\$1.4 million** or **1.6%** of SJWC's total procurement in this category.

Highlights of SJWC's 2013 USDP Success

Significant SJWC achievements include the following:

- In 2013, SJWC's overall spend increased to **\$18.1 million**, this increase represented an increase of approximately **4%** in total qualifying procurement activity in comparison to 2012. Through focused procurement efforts diverse spend increased by \$638,000 in 2013.
- Procurement with disabled veteran-owned firms increased by **300%**. SJWC's recent focus on direct contracts with disabled veteran-owned firms, along with prime supplier partnerships, have propelled the company's success in this area.
- SJWC added **28 new diverse businesses** to the vendor pool. These results represent the highest number of additions of new suppliers in the history of the program.
- SJWC focused on its commitment to environmental stewardship and diversity by awarding the contract for the company's new line of fuel-efficient fleet resulting **over \$250,000 in direct procurement** from a MBE auto dealership.
- SJWC's Program Manager continued to lead the collaborative efforts of the California Water Association USDP Committee by serving as Committee Chair. The ongoing strategic efforts resulted in program participation from seven of the largest water utilities in the state. Focus areas include: Outreach, Communication and Reporting.

The Role Supply Chain Plays in the Value of Water - Going Beyond the Numbers

Water's economic value is evident in that it is essential to our daily lives. At times because of its competing uses, we as consumers take its importance for granted. It is the responsibility of San Jose Water Company to deliver clean water with what is seamless operation to our customers. However, SJWC relies on its suppliers to assist in this managing the delivery of water to our customers through operational efficiencies.

Reinvestment in aging infrastructure is imperative for safe and reliable service. From treatment plants, to pumping stations, to the local storage tanks and miles of pipeline, many of the systems that deliver water to the homes and businesses we serve was built many years ago. Aging parts of the system must be upgraded repaired and/or replaced to ensure reliable water delivery for the growth and expansion of Silicon Valley.

SJWC's utilization of MWDVBE and local business to replace miles of pipeline at competitive costs is essential. SJWC highlights the year-over-year progress with Northern Underground, a minority business located in San Jose, CA. Northern Underground is recognized for its consistently high level of customer service, focus on environmental leadership and workplace safety that parallel the goals of SJWC.

“We work side by side with the best water company in Silicon Valley. San Jose Water Company understands the importance of working in partnership with their suppliers. They don't do business with us because we are a minority-owned business, they do business with us because we are committed to service level excellence.

– John Garcia,
Owner Northern Underground

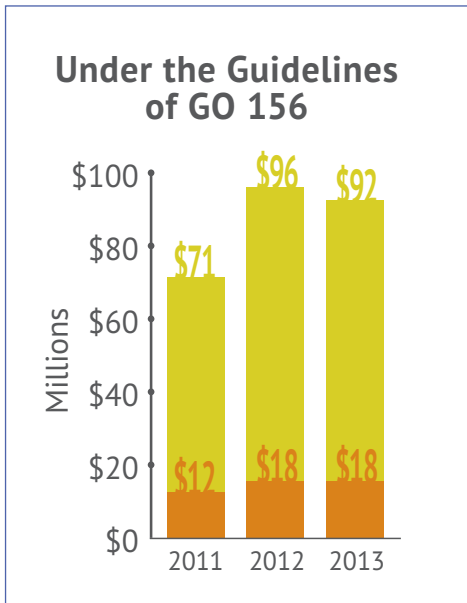
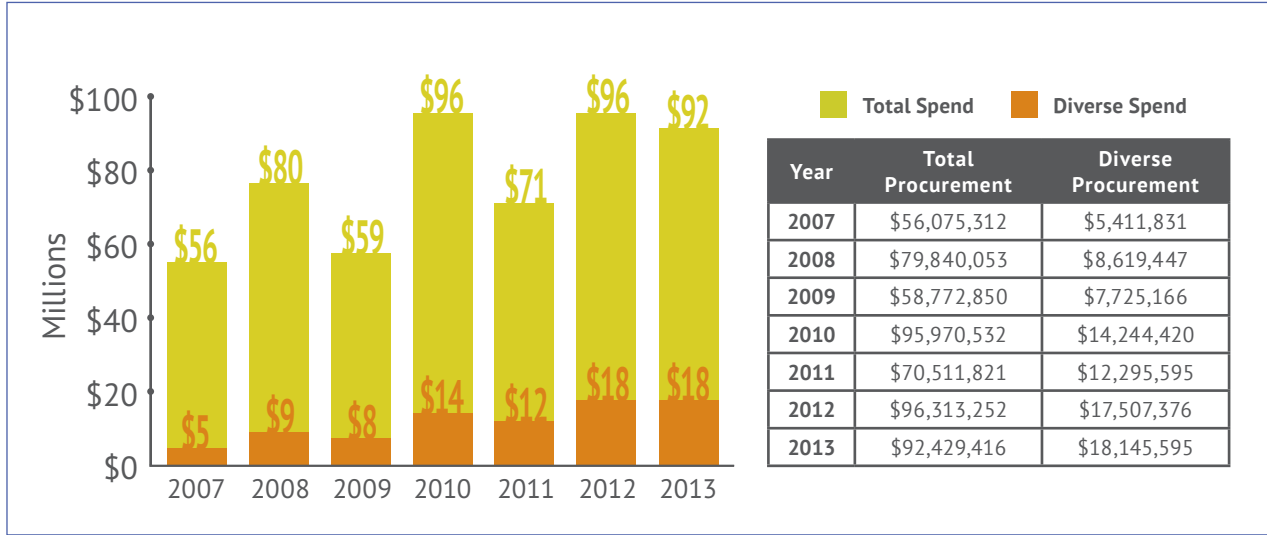


“Northern Underground provides a very high level of service for complex pipeline installation projects. They have continued to build their reputation with San Jose Water Company by consistently meeting all challenges. Their customer service is very polished both with San Jose Water Company and with businesses and citizens that are impacted by the pipeline installations. They have earned the utmost respect of San Jose Water Company and are one of our trusted contractors.

– Bill Tuttle, Director of Engineering, Supplier Diversity Champion, San Jose Water Company

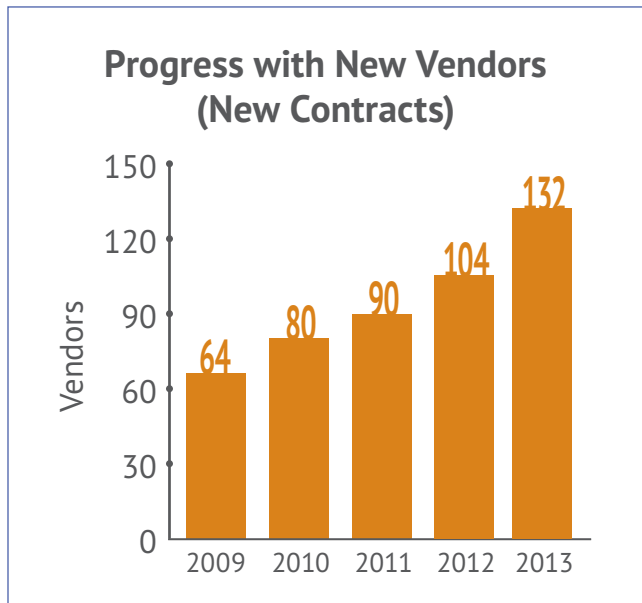
The USDP efforts at SJWC continue to improve. The company's focus on finding qualified suppliers in key areas of that offer the greatest opportunity is demonstrated by its' consistent annual progress from year to year. In 2013, SJWC exceeded the CPUC's goal for the utility to procure goods from disabled-veteran owned business and minority owned businesses. SJWC also improved in the overall women business enterprise spend category.

Year on Year Progress



■ Total Spend ■ Diverse Spend

Year	Total Procurement	Diverse Procurement
2011	\$70,511,821	\$12,295,595
2012	\$96,313,252	\$17,507,376
2013	\$92,429,415	\$18,145,595



■ Diverse Suppliers

Year	Diverse Suppliers	Newly Awarded Contracts
2009	64	Not Recorded
2010	80	24
2011	90	10
2012	104	14
2013	132	28

9.1.1 Internal/External Activities

In 2013, SJWC's internal and external program activities were a key factor in our improved supplier diversity performance. During the year, we implemented a number of efforts to improve processes and program visibility. SJWC continued to create program awareness both internally and externally through various communications channels

Internal Activities

In 2013, the SJWC USDP strategy included an increase in program awareness and improved partnerships with the SJWC Procurement Logistics and Information Technologies teams.

Internal activities directed to support the program strategy included:

1. USDP monthly meetings with the Director of Procurement and Logistics.
2. Improved and customized reporting systems.
3. Engaged internal stakeholders to develop and implement WMDVBE strategies and inclusion in key request for proposals.
4. Inclusion of department champions at supplier diversity outreach events.
5. Updates and branding of the USDP website to align with the SJWC corporate website.
6. Upgraded diverse supplier web portal registration.

Champions Program Initiative

SJWC relies on the active participation of its internal champions. USDP efforts benefit from its Champion Program Initiative **C.A.P.**

Commit to providing opportunities for diverse businesses.

Attend outreach events to engage potential suppliers.

Participate in strategic and operational meetings for the program.

2013 CAP program initiative results:

- ▶ 28 new diverse businesses added to the supply chain.
- ▶ Champion presentation at the Contractors' Meeting with a focus on educating and encouraging prime supplier participation in meeting supplier diversity goals.
- ▶ An increase of \$1.3 million or 65% in procurement with diverse businesses through Tier II sub-contracting participation.
- ▶ Developed diverse business inclusion goals for the Montevina treatment plant expansion.

Community Outreach Making An Impact

SJWC continues the company's outreach efforts by participating in, collaborating with, and attending community events that include partnerships with women, minority and disabled veteran owned business enterprises both in San Jose and throughout California. Relationship building is a key factor to engage company leaders who can outline and identify potential opportunities. SJWC's program manager and Champions partner with such organizations as listed below which enables key decision makers to participate and play a key role in educating diverse business on the process of doing business with SJWC.

- ▶ National Minority Supplier
- ▶ Development Council
- ▶ Women's Business Enterprise Council
- ▶ Institute for Supply Management
- ▶ CPUC Sponsored Small Business Expos
- ▶ Elite Disabled Veteran Network
- ▶ DVBE Alliance

In 2013, SJWC participated in a panel presentation that outlined the value proposition of supplier diversity. This panel discussion outlined the collaborative efforts set forth to implement the Commission's Capacity Building



and Technical Assistance Program (Mentor Protégé Pilot Program). This workshop served as an introduction to Tier 1 Capacity Building and Technical Assistance Program development and provided direction and encouragement for additional utilities to implement similar programs.



Joint Utility Meetings

SJWC actively participates in the CPUC's joint utilities meetings. SJWC's program manager represents the collaborative efforts of Class A water companies and is a key contributor in the development of the core principles and process by which diverse businesses engage with California's large and small utilities.

2013 Contractors Meetings

In 2013, SJWC with the CWA Class A water training to provide technical assistance and capacity growth through curriculum geared to assist diverse businesses on how to enter into contracts with the California regulated water companies.

SJWC will continue to work with organizations such as the Elite Service Disabled Veteran-Owned Business Network to locate DVBE's that can work with SJWC as direct contractors and subcontractors. SJWC's participation at outreach and community events listed below afford supplier diversity Champions the opportunity to introduce qualified suppliers to the procurement process. In 2013, participation in a variety of Community Based and Minority Based Organization Events included:

- ▶ American Indian Chamber of Commerce
Annual Conference and Trade Show
- ▶ Black Business Association
Luncheon and Procurement Expo

Professional and Trade Based Organization Events

- ▶ National Association of Regulated Utilities
Utility Market Access Adhoc Committee Meeting
- ▶ Northern California Minority Supplier Development Council
- ▶ Northern California Minority Supplier Development Council
Excellence in Supplier Diversity Awards
- ▶ California Water Association
Utility Supplier Diversity Program Committee Meetings

- ▶ California Disabled Veteran Business Alliance
Keeping the Promise Expo and Business Matchmaking
- ▶ Elite Service Disable Business Network
Annual Conference and Trade Fair
- ▶ National Minority Supplier Development Council
Annual Conference and Business Opportunity Fair
- ▶ National Minority Supplier Development Council
Supplier Award and Recognition
- ▶ Women Business Enterprise National Council
National Conference and Trade Fair
- ▶ Women Business Enterprise National Council
Summit and Salute

CPUC Sponsored Outreach Events

- ▶ California Public Utilities Commission
Statewide Small Business Expo Series

Diverse Business Event Attendance Sponsorship

- ▶ Excelerate Consulting
CWA Annual Conference /WBENC Annual Conference
- ▶ Early Morning Software
WBENC Annual Conference/NMSDC Conference and Trade Fair



Employee Education

In order for SJWC to expand its diversity program process and practices, the company relies on a vast level of participation by its staff to better understand best and next practices in supply chain trends. Our employee education is an important investment in building a successful program. In 2013, SJWC sponsored staff participation and attendance at various state, regional and training organizations focused on improving these processes: Such training included:

- ▶ Institute of Supply Management Conference Supply Chain Summit
- ▶ Diversity Information Resources Best Practices in Supplier Strategies
- ▶ NMSDC Annual Conference

Website Enhancement

SJWC's USDP's website continues to be a conduit and portal to provide information on the WMDVBE activities and enlist participation. The website highlights outreach programs as well as upcoming procurement opportunities. Suppliers are provided with instructions and links to supplier diversity resources and certification information. In 2013, **over 150** diverse businesses registered utilizing the portal. This process includes forwarding supplier information to departments where potential opportunities may exist. In addition, meetings are scheduled with key project managers to determine if the supplier's goods/services are relevant to SJWC's current or future business needs.



San Jose Water Company

9.1.2 Statistical Report Diverse Spend by SIC Category

SIC Category	PUC SIC Code	Asian American	African American	Hispanic	Native American	Other	MBE Subtotal	Women Business Enterprise	Subtotal WBE	DVBE	Total WMDVBE
Agricultural Production	01	\$2273.85					\$2273.85				\$2,273.85
General Building Contractors	15					\$63,387.75	\$63,387.75				\$63,387.75
Heavy Construction	16			\$5,288,693.77	9316.24	\$366,577.28	\$566,4587.29				\$5,664,587.29
Special Trade Contractors	17			\$8,119.84		\$46,575.69	\$54,695.53			\$409,362.68	\$464,058.21
Lumber & Wood Products	24						\$0.00	\$8,820.00			\$8,820
Paper & Allied Products	26					\$2,178.33	\$2,178.33				\$2,178.33
Printing and Publishing	27	\$15,361.65		\$37,199.80	\$9,250.00	\$41,693.17	\$103,504.62				\$103,504.62
Chemicals	28					\$135,688.21	\$135,688.21				\$135,688.21
Petroleum & Coal Products	32					\$525.28	\$525.28	\$17,194.14			\$17,719.42
Primary Metal Industries	33				\$13,630.89		\$13,630.89				\$13,630.89
Industrial Machinery & Equipment	35	\$112,198.37	\$140,701.16	\$81,208.87	\$168,945.01	\$644,832.36	\$1,147,885.77			\$303,083.88	\$1,450,969.65
Electronic & Other Equipment	36	\$3,140.84	\$1,384.55				\$4,525.39				\$4,525.39
Instruments and Related Products	38					\$411,325.68	\$411,325.68	\$6,172.00			\$417,497.68
Electric, Gas and Sanitary Services	49			\$1,681,400.29		\$161,752.98	\$1,843,153.27	\$126,990.61			\$1,970,143.88
Wholesale Trade - Durable Goods	50	\$3,034.92	\$10,936.87			\$1,516.97	\$15,488.76	\$334.27			\$15,823.03
Wholesale Trade - Non Durable Goods	51			\$37,894.17		\$35,343.73	\$73,237.90				\$73,237.90
General Merchandise	53					\$3,885.26	\$3,885.26				\$3,885.26
Food Stores	54					\$9,567.21	\$9,567.21				\$9,567.21
Automotive Dealers	55			\$246,364.24			\$246,364.24				\$246,364.24
Apparel & Accessories	56		\$37,204.25				\$37,204.25				\$37,204.25
Eating & Drinking Places	58						\$0.00	\$62,090.77			\$62,090.77
Misc. Retail	59	\$77,454.65					\$77,454.65	\$69,075.88			\$146,530.53
Personal Services	72					\$24,096.33	\$24,096.33	\$83,247.06			\$107,343.39
Business Services	73	\$133,643.00		\$214,315.15		\$102,439.05	\$450,397.2	\$33,005.06			\$483,402.26
Auto Repair Services	75	\$35,620.75		\$4,144.31	\$67,741.16	\$152,838.07	\$260,344.29				\$260,344.29
Engineering & Management Services	87	\$1,699,490.70	\$39,409.27	\$75,941.88		\$98,945.16	\$1,913,787.01	\$467,463.64		\$25,834.48	\$2,407,085.13
Misc Other Services	89		\$39,308.00	68,486.33		\$6241.41	\$114,035.74				114,035.74
Total		\$2,082,218.73	\$268,944.10	\$7,743,768.65	\$268,883.30	\$2,309,409.92	2,673,224.70	\$874,393.43		\$738,281.04	14,285,899.17

9.1.2 Statistical Reports/Summary of Purchases

2013 SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY ETHNICITY					
		Direct \$	Sub \$	Total \$	%
MINORITY MEN	Asian-Pacific	1,361,807	503,507	1,865,314	2.0%
	African American	217,738	0	217,738	0.2%
	Hispanic	6,021,974	30,108	6,052,083	6.5%
	Native American	259,633	261,131	520,764	0.6%
	Other	3,775,078	823,387	4,598,465	5.0%
	Total Minority Men	11,636,232	1,618,133	13,254,365	14.3%
MINORITY WOMEN		Direct \$	Sub \$	Total \$	%
	Asian-Pacific	685,541	77,846	763,388	0.8%
	African American	130,724	7,042	137,766	0.1%
	Hispanic	40,394	57,944	98,338	0.1%
	Native American	0	0	0	0.0%
	Other	0	0	0	0.0%
Total Minority Women	856,659	142,832	999,491	1.1%	
TOTAL MINORITY BUSINESS ENTERPRISE (MBE)		12,492,891	1,760,965	14,253,856	15.4%
WOMEN BUSINESS ENTERPRISE (WBE)		1,080,562	1,373,445	2,454,007	2.7%
SUBTOTAL WOMEN, MINORITY BUSINESS ENTERPRISE (MWBE)		13,573,453	3,134,410	16,707,863	18.1%
SERVICE DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)		712,447	725,285	1,437,732	1.6%
TOTAL WMDVBE		14,285,899	3,859,695	18,145,595	19.6%
Gross Procurement				\$196,730,814	
Non-Inclusion				\$104,301,398	
Net Procurement				\$92,429,416	

9.1.3 Program Expenses

Utility Supplier Diversity Program Expenses

Expenses Category	2013 (Actual \$)
Program Expenses	\$46,593
Training	\$8,000
Other Expenses*	\$111,969
Total	\$166,562

*Other Expenses include: wages, consultants and reporting expenses

9.1.4 Goal Progress

SJWC made quantifiable and measureable progress towards meeting the CPUC goal of **21.5%** of procurement activity with minority-

owned, women-owned and disabled veteran-owned business enterprises. The program continues to foster an upward trend of increased spend with diverse businesses and this trend has enabled SJWC to show substantial year on year progress toward meeting the CPUC's goal.

In 2013 SJWC diversity spend totaled **\$18.1** million or **19.6%** with diverse businesses. This represents a 3% increase over diverse procurement in 2012. SJWC's MWDVBE spend is reported by SIC code, identifying specific areas of opportunity while fulfilling the CPUC 9.1.2 statistical reporting requirements. In addition to facilitating engagement with other California investor-owned utilities, the diverse business participation has led to extended contract opportunities in the private sector.

9.1.5 Summary of Utilization of WMDVBE Subcontractors

	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service Disabled Veterans Business Enterprise (DVBE)	Total WMDVBE
Direct \$	11,636,232	856,659	12,492,891	1,080,562	13,573,453	712,447	14,285,900
Subcontracting \$	1,618,133	142,832	1,760,965.00	1,373,445	3,134,410	725,285	3,859,695
Total \$	13,254,365	999,491	14,253,856.00	2,454,007	16,707,863	1,437,732	18,145,595
Direct %	14%	1.1%	13.5%	1.2%	14.7%	0.8%	15.5%
Subcontracting %	1.8%	0.2%	1.9%	1.5%	3.4%	0.78%	4.2%
Total %	16.1%	1.2%	15.4%	2.7%	18.1%	1.6%	19.6%

Gross Procurement	\$196,730,814
Non-Inclusion (Purchase Water, Power, Pump Tax)	\$104,301,398
Net Procurement	\$92,429,416

* Totals may not add due to rounding

9.1.6 Complaints

SJWC did not receive any formal USDP complaints in 2013.

9.1.7 Summary of Purchases and or Contracts in Excluded Categories

The amount shown on Table 9.1.2 as “Exclusions” is the total of payments made in the categories of Purchased Water, Purchased Power, and Groundwater Extraction Fees. Other categories subject to Section 8.9, Other Utilities, Taxes, Franchise Fees, and Postage, have not been included in the Gross Procurement.

The reporting of these categories as “Exclusions” on Table 9.1.2 by water companies is intended to provide information to CPUC staff regarding these categories and to be consistent with the procurement reporting by the energy companies. This procurement reporting guidelines for water companies results from workshops convened by the Commission’s Utility Supplier Diversity Program Staff, pursuant to Ordering Paragraph No. 4 of D.11-05-019 (in R.09-07-027), and subsequent additional discussions, in order for the staff and utilities to reach a common understanding of what is to be reported as a result of the amendments to General order 156 and to address and resolve any issues related to the adoption of the water companies’ procurement reporting requirements under General Order 156.

9.1.8 Diverse Suppliers in Underutilized Areas

During 2013, SJWC worked to increase diverse spending in areas where such supplier utilization has traditionally been low. The company’s continued progress and outreach with minority financial services providers resulted in equity placement with a minority-owned investment and financial services company.

SJWC will continue its efforts to recruit minority owned business is both legal and consultant services areas to the extent possible.



West Valley Construction – A Prime Example A Prime Success



San Jose Water Company prides itself of being a leader in the provision of water service and delivering exceptional customer service. The commitment of utilizing suppliers that provide exceptional service levels at a competitive price spans throughout the supply chain. SJWC relies on its largest suppliers to assist in USDP efforts.

West Valley Construction's exemplary service and decades of partnership have led to West Valley Construction's recognition as SJWC prime supplier of the year award.

SJWC success in exceeding the Commissions' 1.5% DVBE goal is in part due to the support of West Valley Construction. The company has been growing their sub-contracting efforts since 2004, increasing program participation. In 2013 West Valley Construction contributed over \$1.4M in verifiable diverse business subcontracting.

On July 19, 2013, San Jose Water held its annual contractors meeting. The focus of this meeting was to bring the largest suppliers to the water companies together to discuss the focus of USDP participation.

West Valley Construction's executive management team delivered a presentation on the advantages of doing business with diverse and local suppliers.

- ▶ West Valley was awarded supplier of the year by SJWC in recognition of their continued program efforts and contribution to sub-contracting with MWDVBE businesses.
- ▶ Attended and participated at the NCMSDC annual minority business expo.
- ▶ Attended and participated at the CPUC sponsored small business expo.

As a result WVC sub-contracting with certified MWDVBE's has increased by 100%.

- ▶ Pro-actively sought to integrate small and diverse businesses into our procurement and sourcing opportunities.
- ▶ Educated the WVC staff on the benefits of procuring goods and services from small and diverse businesses.
- ▶ Began the formalized reporting process to provide sub-contracting participation on a month by month basis.
- ▶ Verifying that businesses meet the required certifications regarding ownership status, level of water industry expertise.

2014 Annual Plan

10.1.1 Goals

Category	2013 Results	2014 Goals
Minority Men	14.3%	12.0%
Minority Women	1.1%	3.0%
Minority Business Enterprise (MBE)	15.4%	15.0%
Women Business Enterprise (WBE)	2.7%	5.0%
Subtotal Women, Minority Business Enterprise (WMBE)	18.1%	20.0%
Service Disabled Veterans Business Enterprise (DVBE)	1.6%	1.5%
Total WMDVBE	19.6%	21.5%

In 2014, SJWC’s USDP will focus on achieving the following results:

- ▶ Work with supplier diversity champions to provide diverse business request for proposal participation on capital projects.
- ▶ Implement a cohesive capacity building and technical assistance program according to the guidelines of Executive Order 97-01 – detailing Tier 1 participants.
- ▶ Continue to meet with our largest prime suppliers to increase sub-contracting levels.
- ▶ Implement supplier management tools to measure expense category according to diverse spend.
- ▶ Identify suppliers in low utilization areas and seek means to include diverse businesses in these opportunities.

10.1.2 Planned External/Internal Activities

External Activities

Supplier Development and Mentoring

In compliance with Ordering Paragraph No. 4 of D.11-05-019 (in R.09-07-027), SJWC will continue work closely with the CWA and its members to implement the Tier 1 capacity building and technical assistance program to support small diverse businesses with resources and technical assistance to optimize their knowledge and understanding of doing business with California utilities.

In 2014 SJWC will continue to work with CWA and its member companies to host Contractors meetings and implement the Mentor Protégé Pilot Program (MP3) Tier 1 capacity building and technical assistance program.

SJWC forms relationships with suppliers and will sponsor diverse business attendance at events which educate suppliers on doing business with utilities and provide direction and instruction on increasing the probability of working with investor-owned utilities. In addition to facilitating engagement with other California owner invested utilities, diverse business participation has led to extended contract opportunities in the private sector. In 2013 SJWC sponsored the following diverse business events:

- ▶ Excelerate Consulting, *Utility Market Access Adhoc Committee Meeting*
- ▶ Early Morning Software , *WBENC Annual Conference/NMSDC Conference and Trade Fair*

Internal Activities

Internally, SJWC will champion training, communication and technical resources to improve effectiveness of notification on performance efforts. SJWC is implementing a supplier diversity reporting tool that will support the efforts of providing detail program progress and departmental participation.

10.1.3 Recruitment Plans for Suppliers in Underutilized Areas

Included in SJWC's USDP 2014 program planned activities are clear measurable goals to progress toward meeting the CPUC target of 21.5% procurement with diverse businesses. In order to increase procurement contracts in lower utilized categories, SJWC will focus on increased communication and partnerships with local organizations in the following categories:

- ▶ African American Owned Businesses
- ▶ Native American Owned Businesses
- ▶ Women Owned Businesses

10.1.4 Former Section 10.1.4 “Plans for Recruiting Diverse Suppliers in excluded Categories”

No longer applicable.

10.1.5 Planned Sub-contracting

SJWC understands the importance of increasing diversity spend utilizing prime contractors as an extended participant of the USDP. We will continue to hold prime supplier contractor meetings, and matchmaking events to increase sub-contracting opportunities with SJWC's largest prime suppliers. SJWC will set targets and provide tools such as on-line subcontracting reporting (PRISM) necessary for our prime suppliers to actively participate and achieve such goals.

10.1.6 Plans for compliance with WMDVBE Program Guidelines

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

The USDP Program Manager will continue to proactively work with the SJWC's Supplier Diversity Champions to review, streamline, and improve standards and policies that implement department goals and contract language to include diverse suppliers in bid opportunities.

Objective #1

Compliance with GO 156 Reporting

Enhancements to reporting tools and online sub-contracting reporting will improve company-wide visibility and awareness in areas of procurement focus. This improvement will increase SJWC's ability to monitor program progress as well verify certification eligibility and improve USDP program participation in all business areas.

Objective #2

Tier 1 Capacity Building and Technical Assistance Program

SJWC will work with other CWA members to implement the MP3 program.

Objective #3

Performance Measurements

Diverse supplier performance reports will be provided quarterly to supplier diversity Champion team members and management

staff. These quarterly updates will emphasize the importance of reaching the SJWC USDP goals and will keep key participants apprised of the level diverse supplier procurement activity. Based on this information the Supplier Diversity Program Manager, Director of Procurement and Champions will formulate strategies and forecast potential opportunities where diverse suppliers may participate.

Objective #4

Supplier Presentations

SJWC will work to implement "pitching with a purpose" in collaboration with its partner community business organizations. These supplier presentations hosted during partner events will allow the SJWC champions to meet with and learn about diverse business capabilities. The informal meetings will add to our outreach efforts by allowing diverse suppliers an opportunity to provide the "company pitch" relative to the services they provide to SJWC key stakeholders.

SJWC is committed to ensuring a well represented WMDVBE supplier program. Each year it is our intention to maintain, sustain and build upon the current levels of involvement from our internal departments and the community we serve.



110 W. Taylor St, San Jose, CA 95110
(408) 918-7231
www.sjwater.com