



Report to the California Public Utilities Commission

2015 Report and 2016 Plan for Women-
Owned, Minority-Owned, and Disabled
Veteran-Owned Procurement

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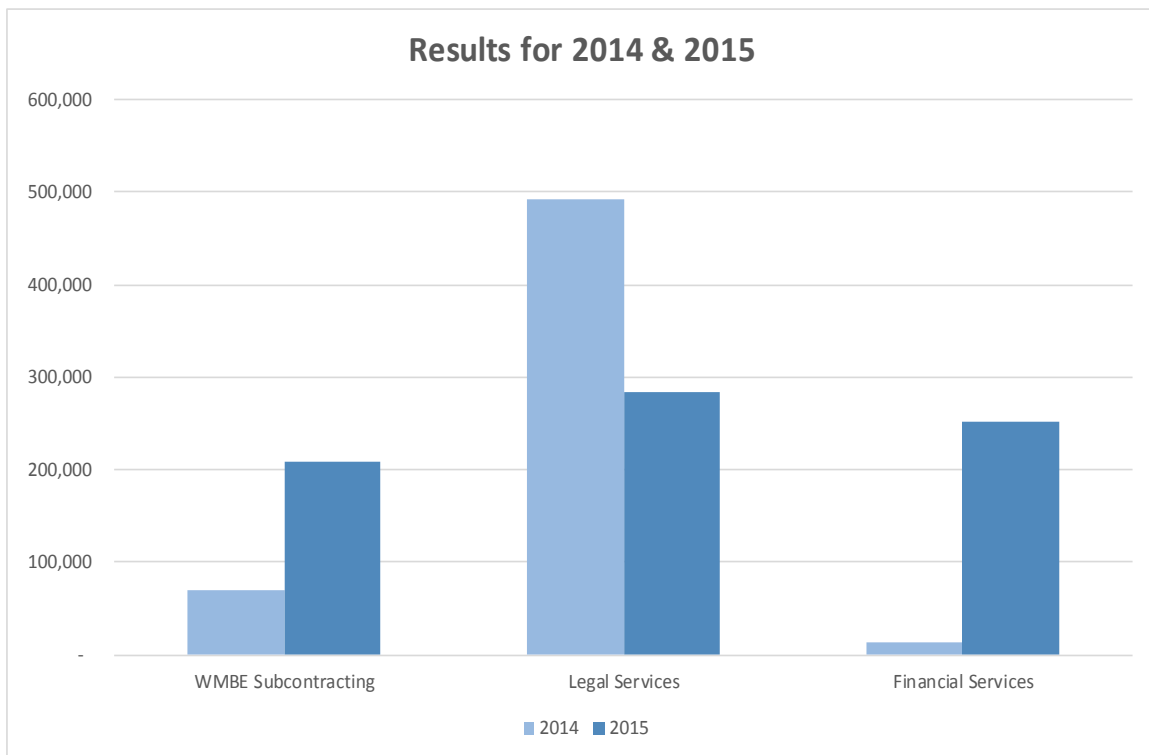
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Executive Summary

Trans Bay Cable LLC (“TBC”) respectfully submits its 2015 Annual Report and 2016 Annual Plan for the Utility Supplier Diversity Program, in compliance with the requirements of California Public Utilities Commission (“CPUC” or “Commission”) General Order No. 156 (“GO 156”). This Annual Report describes the program activities and results TBC achieved for the period of January 1, 2015, through December 31, 2015. The Annual Plan describes TBC’s anticipated and planned activities for the period of January 1, 2016, through December 31, 2016.

Key spending and accomplishment areas in 2015:

- **Subcontracting** – The total for WMDVBE subcontracting spend increased from \$68,883 in 2014 to \$209,025 in 2015, an increase of 203%.
- **Legal and Financial Services** – A total of \$283,915 was spent on traditionally underrepresented employees at majority-owned law firms and \$252,317 at majority-owned financial for a combined total of \$536,232.



Introduction

TBC is a small energy transmission company. TBC’s facilities consist of a 53-mile, approximately 400 megawatt high-voltage direct-current (“HVDC”) submarine electrical transmission line and two converter stations (the “Project”). The transmission line is located beneath the adjoining bays of San Francisco, San Pablo, and Suisun and runs between TBC’s two converter stations: located in Pittsburg, California, and San Francisco, California.



The Project began commercial operation on November 23, 2010. It delivers power for approximately 40% to 60% of San Francisco’s peak electrical load. The Project is an important and high-profile component of the San Francisco area’s electricity infrastructure.



TBC utilizes unique HVDC PLUS technology developed, serviced and warranted by Siemens Energy and Prysmian Cable and Systems. Siemens is responsible for procuring many of the vendors needed for the Project’s operation and maintenance, in addition to providing equipment warranty servicing. A majority of the vendors

procured have been involved with the Project prior to its commissioning and are on long-term contracts or are highly-specialized vendors particularly suited to meet the Project’s needs. As a result, TBC has few new procurement opportunities, but strives to make these opportunities available to women, minority, and disabled-veteran business enterprises (“WMDVBE”) when feasible.

2015 Annual Report

9.1.1 Internal & External Activities

Internal Activities

TBC's Supplier Diversity Program ("SDP" or the "Program") for WMDVBEs is overseen by TBC's Legal Department. The Legal Department's efforts are supplemented by TBC's Finance Department, IT Department, Operations Department, and Human Resource Department. Together, TBC personnel have developed, implemented, and continue to expand TBC's Program.

In accordance with Section 6.1.1 of GO 156, in 2015, all employees with procurement responsibilities, including at least one employee from each department, received training on the implementation of TBC's Program.

During the spring of 2015, TBC contacted all of its current vendors and informed them about the CPUC's GO 156 program. TBC encouraged its vendors to visit The Supplier Clearinghouse website to determine their eligibility and complete the verification process. Additionally, TBC encouraged its vendors to use WMDVBE subcontractors (including LGBTBE subcontractors) when feasible and includes such language in its vendor contracts.

This past year, TBC continued to use its website as a resource for potential WMDVBEs. WMDVBEs can contact TBC about supplier diversity through TBC's website at www.transbaycable.com/contact-us/ (a link to this site is also provided on The Supplier Clearinghouse website). WMDVBEs are able to fill out a SDP registration form on the TBC website. Once a WMDVBE registers, that company is added to an internal SDP database. On average, TBC received one to three inquiries per month via its website. A TBC employee responds to all website inquiries and forwards the WMDVBE's contact information to the appropriate TBC department. WMDVBEs can also submit questions about TBC's Program via this online form.

External Activities

In 2015, TBC participated in and attended many external activities in an effort to (i) further develop its Program, (ii) adopt best practices, and (iii) increase its profile as a small utility in California. These external activities included participation in:

- CPUC Small Utilities workshops, forums, and conference calls; and
- California Joint Utilities Committee meetings and conference calls.

TBC also responded to CPUC requests for information and met with CPUC personnel in April 2015 to discuss TBC's Program.

9.1.2 Statistical Reports/Summary of Purchases

2015 Utility Supplier Diversity Program Annual Results by Ethnicity

		Direct \$	Sub \$	Total \$	%
Minority Men	Asian-Pacific	-	-	-	-
	African-American	-	-	-	-
	Hispanic	-	-	-	-
	Native American	-	-	-	-
	Other	-	-	-	-
	Total Minority Men	-	-	-	-
Minority Women	Asian-Pacific	\$101,364	-	\$101,364	0.30%
	African-American	-	-	-	-
	Hispanic	-	-	-	-
	Native American	-	-	-	-
	Other	-	-	-	-
	Total Minority Women	-	-	-	-
Total Minority Business Enterprise (MBE)		\$101,364	-	\$101,364	0.31%
Women Business Enterprise (WBE)		\$69,893	\$209,025	\$278,918	0.84%
Subtotal Women, Minority Business Enterprise (MWBE)		\$171,257	\$209,025	\$380,282	1.15%
Service Disabled Veteran Business Enterprise (DVBE)		-	-	-	-
TOTAL WMDVBE		\$171,257	\$209,025	\$380,282	1.15%
TOTAL PROCUREMENT		\$33,029,998			

2015 Procurement by Product & Service Categories:
Direct Contract

		Products		Services		Total	
		\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	-	-	-	-	-	-
	African-American	-	-	-	-	-	-
	Hispanic	-	-	-	-	-	-
	Native American	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Minority Women	Asian-Pacific	-	-	\$101,364	0.31%	\$101,364	0.31%
	African-American	-	-	-	-	-	-
	Hispanic	-	-	-	-	-	-
	Native American	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Total MBE		-	-	\$101,364	0.31%	-	0.31%
WBE		-	-	\$69,893	0.21%	\$69,893	0.21%
Subtotal MWBE		-	-	-	-	-	-
DVBE		-	-	-	-	-	-
Total WMDVBE		-	-	\$171,257	0.52%	\$171,257	0.52%
TOTAL PROCUREMENT		\$33,029,998					

Net Procurement	\$33,029,998
WMDVBE Products Procurement	\$0
WMDVBE Service Procurement	\$171,257
NET DIRECT WMDVBE PROCUREMENT	\$171,257

9.1.3 Itemization of WMDVBE Program Expenses

While expenses were incurred for activities in support of GO 156, none of the expenses were solely attributable to those activities. A variety of TBC employees contribute to TBC's Program, in particular the members of the Legal Department and Operations Department.

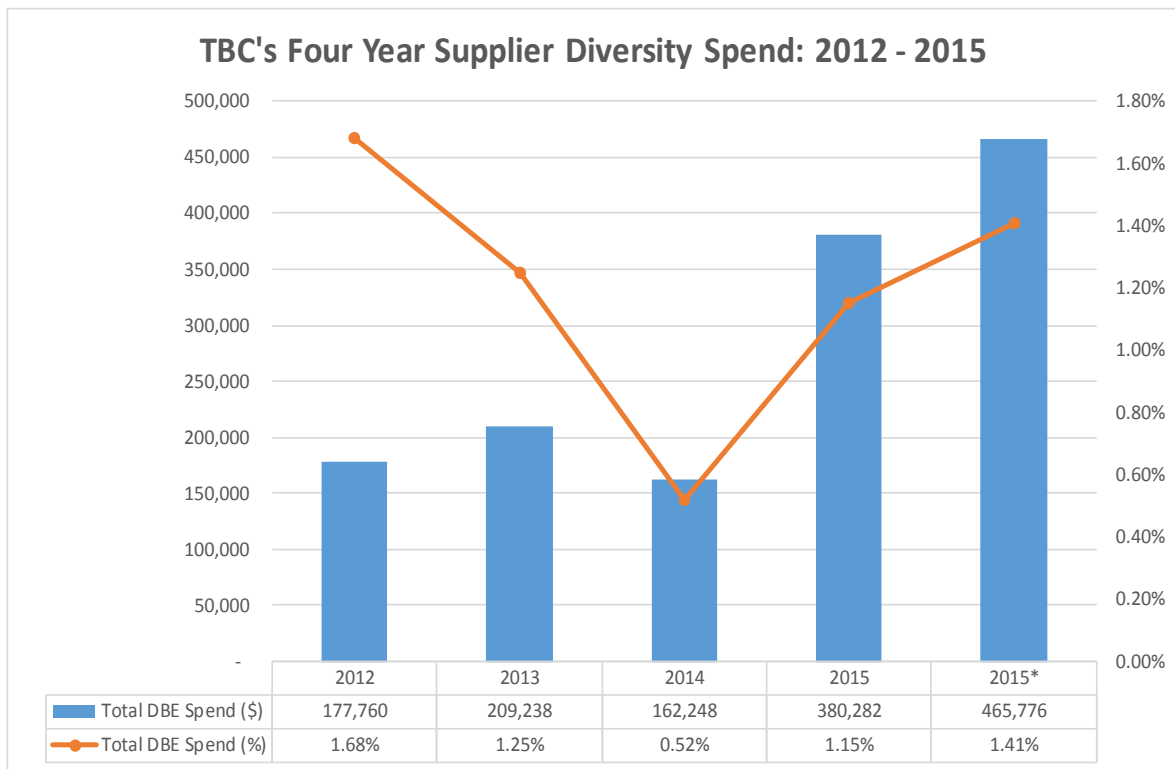
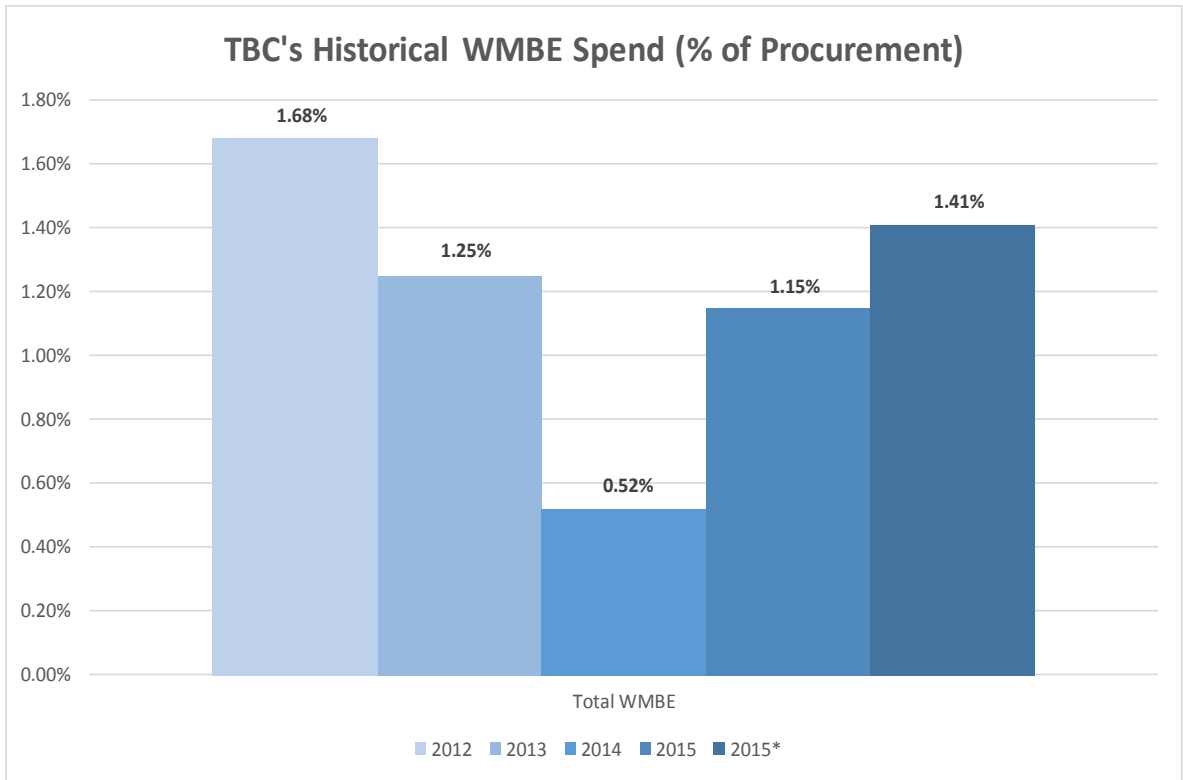
9.1.4 Progress in Meeting or Exceeding Set Goals

TBC did not meet its 2015 WMDVBE Procurement Goals, coming in at 2.85% below its overall goal target. However, TBC’s procurement of WMDVBE is trending upward from 2014 as WMDVBE spend has increased from 0.52% in 2014 to 1.15% in 2015, an increase of 121%. Actual dollar expenditures increased 134% from 162,248 in 2014 to \$380,282 in 2015. As stated early, many of the Project’s vendors are on long term contracts existing since development of the Project. Additionally, the Project remains under warranty with Siemens and Prysmian whose proprietary technology was utilized to design the Project. As a result, procurement with both vendors and TBC’s maintenance operator take up almost 70% of TBC’s procurement budget. Excluding these vendors, WMDVBE spend for 2015 is approximately 3.7% of TBC’s total 2015 procurement. During 2015 TBC completed repair to the cable caused by an unforeseen anchor drag event in Q3 2014 and continued progress on its control system and protect upgrade. Both projects had a significant impact on procurement and drove the majority of procurement costs for 2015. These expenditures in TBC’s annual procurement negatively affected its total percentage of WMBE spend.

It should be noted that TBC’s cumulative WMBE spend is higher than reported, as some vendors were not certified by the Supplier Clearinghouse; and therefore, those amounts could not be included in TBC’s 2015 totals. Nevertheless TBC continues to encourage and offer assistance to all vendors who meet the qualifications of the Supplier Clearinghouse to apply for certification.

If all minority- and women-owned business enterprises used by TBC were certified, TBC would have increased its 2015 WMDVBE Procurement Results from \$380,282 to \$465,776, thereby increasing our overall percentage from 1.15% to 1.41%.

Category	2015 Results	2015 Goals
Minority Business Enterprise (MBE)	0.31%	2.00%
Women Business Enterprise (WBE)	0.84%	2.00%
Sub Total Women, Minority Business Enterprise (WMBE)	1.15%	4.00%
Disabled Veteran Business Enterprise (DVBE)	-	-
TOTAL WMDVBE	1.15%	4.00%



* This column reflects TBC's DBE spend if the additional eligible vendors were registered with the CPUC.

9.1.5 Summary of Prime Contractor Utilization of WMDVBE Subcontractors

In 2015, TBC continued to encourage all of its Prime Contractors to utilize WMDVBE subcontractors. TBC's Responsible Vendor section of its Purchase Order Terms and Conditions states:

"In connection with the performance of work under this Agreement, Seller [or Contractor or Vendor] agrees to operate in an ethical and socially responsible manner which means that Seller [or Contractor or Vendor]... engages and includes women, minority, disabled veterans, lesbian, gay, bisexual and transgender business enterprises for subcontracting opportunities when feasible."

As with prior years, TBC continued to distribute an informational letter to its vendors to encourage them to utilize WMDVBE subcontractors when feasible. The informational letter also reminded vendors that TBC is available to assist them in the development of their own diverse supplier program.

Overall, TBC's CPUC-registered subcontractor spend increased 203% in 2015 from \$68,883 to \$209,025.

9.1.6 WMDVBE Complaints Received

TBC did not receive any WMDVBE complaints in 2015.

9.1.7 Purchases/Contracts for Products/Services in Excluded Categories

ALJ General Order 156 Ruling on November 14, 2003, ended the excluded category. Specific categories are not deducted from the fundamental procurement amount.

9.1.8 Recruitment Efforts in Underutilized Areas

TBC recognizes the importance of increasing WMDVBE utilization in areas with traditionally low representation in the utility industry, such as legal and financial services. For 2015, TBC spent a total of \$536,232 on services by traditionally underrepresented groups in the areas of legal and financial services.

In 2015, TBC continued its engagement with a woman-owned law firm. TBC’s work with this woman-owned law firm totaled \$68,840 in 2015.

In addition to utilizing women-owned law firms, TBC also strives to develop and maintain relationships with diverse attorneys at majority-owned law firms. In 2015, TBC spent \$251,848 with diverse attorneys at majority-owned law firms. Additionally, TBC spent \$32,067 with diverse legal assistants and paralegals at majority-owned law firms for a total diverse legal spend at majority-owned law firms of \$283,915.

Legal Services Billed in 2015

		Woman-owned Law Firm Spend	Diverse Attorneys at Majority-owned Law Firm Spend	Diverse Legal Secretaries & Paralegals at Majority-owned Law Firm Spend
Minority Men	Asian-Pacific	-	\$5,555	-
	African-American	-	-	-
	Hispanic	-	\$64,112	-
	Native American	-	-	-
	Other	-	-	\$1,050
	Total Minority Men	-	\$69,667	\$1,050
Minority Women	Asian-Pacific	-	-	\$17,526
	African-American	-	-	-
	Hispanic	-	-	-
	Native American	-	-	-
	Other	-	-	-
	Total Minority Women	-	-	-
Total Minority		-	\$69,667	\$18,576
Women		\$68,840	\$182,181	\$13,491
TOTAL DIVERSE SPEND		\$68,840	\$251,848	\$32,067

TBC is also committed to utilizing women and minorities in the financial services sector. TBC spent \$2,775 with one woman-owned business in 2015. TBC also increased its spending with minority persons and women employed at majority-owned financial service firms from \$13,369 in 2014 to \$252,317 in 2015.

Financial Services Billed in 2015

		Diverse Spend with Majority-owned Financial Services
Minority Men	Asian-Pacific	-
	African-American	-
	Hispanic	-
	Native American	-
	Other	-
	Total Minority Men	-
Minority Women	Asian-Pacific	-
	African-American	-
	Hispanic	-
	Native American	-
	Other	-
	Total Minority Women	-
Total Minority		*\$57,177
Women		\$195,140
TOTAL DIVERSE SPEND		\$252,317

*Minority spend was not classified by gender or ethnic group.

2015 Annual Plan

10.1.1 WMDVBE Short-, Mid-, and Long-Term Goals

TBC is committed to supplier development and increasing competitiveness in sourcing products and services. TBC’s 2016 WMDVBE program goals are stated below:

2015 Strategic Program Goals

Short-, Mid-, and Long-Term Goals	Short Term (2016)	Mid Term (2018)	Long Term (2020)
Minority Business Enterprise (MBE)	2%	4%	5%
Women Business Enterprise (WBE)	2%	4%	5%
Disabled Veteran Business Enterprise (DVBE)	-	0.5%	1%
LGBT Business Enterprise (LBE)	0.5	1%	1.5%
TOTAL WMDVBE GOAL	4.5 %	9.5%	12.5%

10.1.2 Planned Internal and External Activities

TBC is committed to continue its participation in supplier diversity outreach events in the San Francisco Bay Area. For 2016, TBC's supplier diversity plans include the following strategies to strengthen the Program's results:

Planned External Activities

- Participate in local diversity expos, trade-fairs, and conferences
- Attend various CPUC and utility events, workshops, meetings, forums, webinars, conference calls, etc.
- Encourage existing suppliers to participate in the CPUC's supplier diversity program and register with the CPUC.

Planned Internal Activities

- Finance Department will continue to be responsible for identifying which active and current suppliers fall within TBC's Supplier Diversity Policy
- Utilize tools, such as the Supplier Diversity Clearinghouse, to receive bids from a more diverse group of suppliers
- Further educate employees, management, and prime contractors on implemented policies and processes to strengthen the alignment of strategic sourcing and Supplier Diversity
- Clearly communicate TBC's Supplier Diversity Program to its prime contractors
- Assist prime contractors in developing their supplier diversity plans and goals
- Develop processes to maximize participation of diverse suppliers for products and services identified to be competitively bid
- Continue to adopt and follow industry best practices

TBC's WMDVBE recruitment efforts remain on-going, and TBC will continue its efforts to identify and utilize WMDVBE suppliers. Recruitment efforts will continue through participation at events such as the CPUC's Small Business Expo and other industry events.

10.1.3 Plans to Seek and Recruit WMDVBE Suppliers in Underutilized Areas (Financial, Legal, Etc.)

TBC is committed to seeking and recruiting WMDVBE suppliers in underutilized areas. In 2016, TBC will continue to:

- Route potential suppliers to TBC's internet site at <http://www.transbaycable.com/contact-us/>, where suppliers can select "supplier diversity" from the drop down menu and enter their information to register to become a qualified supplier in our database;
- Partner with leadership in the non-traditional areas to plan and develop strategies for increasing the utilization of diverse suppliers; and
- Execute best practices within our sourcing strategies to identify products and services where diverse suppliers exist, but the company is underutilizing them.

10.1.4 Plans for Seeking or Recruiting WMDVBE Suppliers for Excluded Categories

The ALJ General Order 156 Ruling on November 14, 2003, ended the excluded category. Specific categories are not deducted from the fundamental procurement amount.

10.1.5 Planned Subcontracting Opportunities

TBC will continue to encourage prime contractors to engage and include WMDVBEs in subcontracting opportunities. Although the award of any subcontracting activity is at the prime contractor's final discretion, TBC will work closely with its prime contractors to: 1) help identify specific products and services within TBC's projects where there are known diverse suppliers for inclusion, 2) make our listing of approved diverse contractors accessible, and 3) advocate for diverse supplier inclusion to the maximum extent possible, including adding specific WMDVBE requirements to contracts.

TBC will also continue to provide additional guidance to its prime contractors in the Responsible Vendor section of TBC's Purchase Order Terms and Conditions. This section communicates the company's commitment to supplier diversity and reaffirms the company's expectations of opportunity and inclusion early in the sourcing process.

10.1.6 Program Compliance

TBC recognizes the social and economic benefits of a successful supplier diversity program. TBC will continue to comply with GO 156 and its guidelines and requirements and will continue to work with the CPUC, its staff, and the California Joint Utilities Group in pursuing new strategies to continually advance the Utility Supplier Diversity Program objectives. TBC will comply with all revisions of GO 156 and all other requirements of the CPUC.