



Quality. Service. Value.

California Water Service 2016 Annual Report

Women, Minority, Disabled Veteran, and LGBT Business
Enterprise Procurement Pursuant to CPUC General Order 156
(U-60-W)

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Message from the President and Chief Executive Officer of California Water Service

At California Water Service (Cal Water), our promise is to provide quality, service, and value to our customers, communities, employees, and stockholders. With this in mind, our Supplier Diversity Program benefits customers as we utilize suppliers who provide the highest quality services at the lowest prices. We work to benefit our communities by expanding our pool of suppliers and partnering with local vendors who compete for our business. We assist our employees as they search for specialized suppliers and work through the competitive bid process. And, we provide value to our stockholders by always striving to get the most “bang for our buck.”



I am pleased by our achievements in 2016, which include:

- Increasing the total number of certified diverse suppliers in our database from 597 to 639, an increase of 7% over 2015.
- Doing business with 216 diverse suppliers in 2016.
- Increasing our spend with diverse suppliers to \$48.46 million, compared to \$40.88 million in 2015.
- Surpassing the overall goal of the California Public Utilities Commission to achieve a 21.5% spend with diverse suppliers for the third year in a row.

In this report, you will find more details about our Supplier Diversity Program, highlights of our 2016 accomplishments, profiles of some of the diverse businesses we worked with in 2016, and a discussion about challenges we faced. As we move forward in 2017, we will continue to work to improve the quality of life in the communities we serve through our supplier diversity efforts.

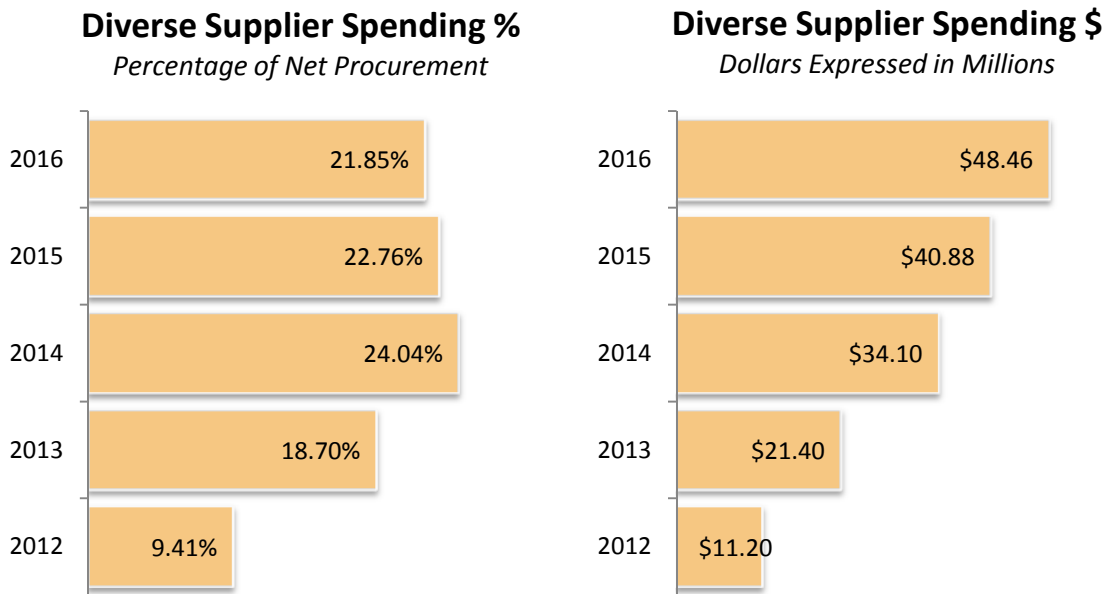
A handwritten signature in black ink that reads "Martin A. Kropelnicki". The signature is written in a cursive, flowing style.

Martin A. Kropelnicki

SUMMARY OF 2016 SUPPLIER DIVERSITY PROGRAM

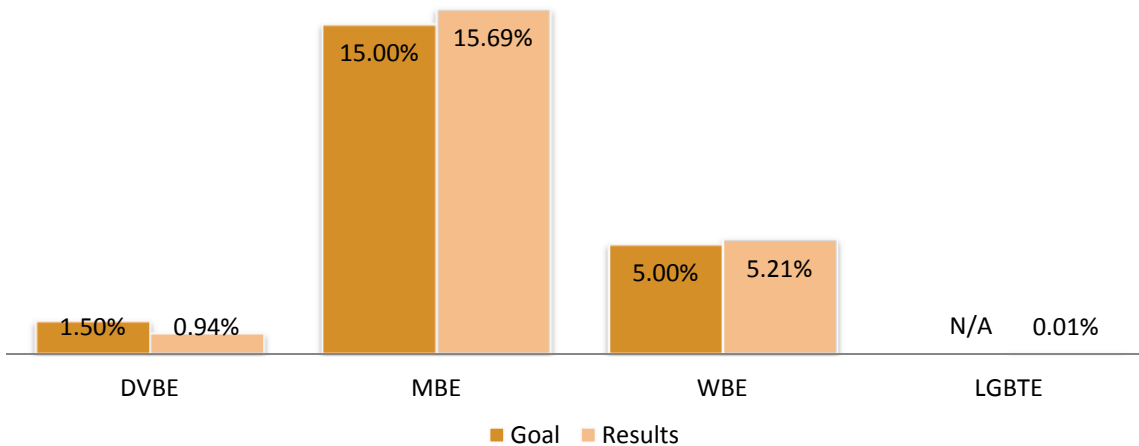
This report outlines the progress of California Water Service (Cal Water) in procuring goods and services from woman-(WBE), minority-(MBE), disabled veteran-(DVBE), lesbian-, gay-, bisexual-, and transgender-(LGBTBE) owned business enterprises (to which we refer collectively as diverse suppliers) for the period of January 1, 2016, through December 31, 2016.

In 2016, Cal Water’s discretionary spending totaled \$221,807,528.82, of which the company spent \$48.46M, or 21.85%, with diverse suppliers.



Our results per category are:

Results per Category



9.1.1 Description of WMDVLGBTBE Program Activities

California Water Service ended 2016 with many success stories regarding our supplier diversity efforts.

Internal Program Activities

Procurement Policy

Our procurement policy, which requires inviting at least one diverse supplier to each competitive bid, remains key to our supplier diversity efforts. Its success is evident in the number of diverse suppliers we did business with in 2016. Diverse suppliers from various industries — including IT services, landscaping, and office supplies — are key to the success of our operations.

In 2016, a routine furniture purchase from one of our central valley districts opened doors for Resource Design Interiors (WBE# 9IS000590) to compete. A successful bid, competitive pricing, and great customer service were the formula to become a Cal Water vendor and earn the status as the company's designated furniture supplier.



Internally, we continue to advocate for further inclusion of Disabled Veteran- Owned Businesses. Through our procurement policy, we worked with vendors that have the capacity and experience to support our projects.



In 2016, Anvil Builders (DVBE # 11030010) won the bid for a 1,300-foot long, 16-inch ductile iron suction pipeline installation in the Bay Area.

Cal Water's relationship with Anvil began in 2014, when they served as a Tier II supplier for one of our prime contractors. Through our diversity program, we advocated for their promotion to Tier I status by discussing our operations, reviewing their qualifications with our engineering team, and inviting them to compete on a few projects. They became a direct supplier in 2016.

Anvil's success is a testament to the effectiveness of our program. Our ratepayers benefit from additional competition in the construction market. It is also a positive development for the veteran community, as Anvil is actively involved in California's Veteran Advisory Council and pushes for local construction unions to include veterans in apprenticeship programs.

Similarly, in 2016, Trident Construction Services (DVBE # 1803096) won a contract for a new 20,000-gallon drinking water bolted steel tank in the Bay Area.



Our relationship with Trident began at a Southern California business matchmaking event focused on veteran-owned businesses. As part of our vendor onboard process, we arranged meetings with our engineering team to assess their experience and qualifications.

With Trident's expertise, we were able to ensure that our communities received an adequate supply of drinking water. Furthermore, as a DVBE, Trident remains committed to employing veterans and supporting community programs like The Wounded Heroes Fund in Kern County.

CAL VADA

SURVEYING, INC.

Cal Water's relationship with Calvada Surveying, Inc. (DVBE #8JN00020) started at a CPUC Small Business Expo in Sacramento in 2014.

In 2015, we awarded the firm three small purchase orders. After demonstrating strong performance, they received additional invitations to bid.

In the year that followed, Calvada secured more than \$300,000 in contracts, some of which — for example, surveying wells in the Central Valley to determine Trichloropropane levels and treatment priority — were critical to public health.

We will continue to take advantage of our procurement policy to advocate for the inclusion of diverse vendors in our supply chain.

Internal Communications

Internally, we keep our program relevant through our corporate communication channels, where we published thirteen articles about our program in 2016.

Some of these updates include our current supplier diversity performance index, positive/negative factors, and upcoming initiatives we're taking. The intent is to keep our leadership — and the organization as a whole — informed of trends and to garner support for our plans.

We also communicate our program's quarterly cost savings, reinforcing the importance of our program, our diverse suppliers' contributions, and their impact on our organization and ratepayers.

Additionally, we feature other program events such as the En Banc, CPUC business expos, the filing of our annual report, and any legislative updates. The purpose is to shed light on the inner workings of the program and how it goes beyond sourcing events.

Internal communications also include the success stories of our diverse suppliers. We highlight their accomplishments, their contributions to our efforts, and their relevance to our corporate goals, shifting the conversation from a compliance effort to a supply-chain enhancement.

External Program Activities

Technical Assistance and Capacity-Building

We continue to survey our suppliers to determine their eligibility for certification, and we assist them through the process. This involves explaining the benefits and connecting them with the Supplier Clearinghouse and other utilities to help them expand their market share.

Our efforts paid off as we assisted seven of our suppliers through the process this year. Their industries are as diverse as their designations; from translations and logistics to compliance plans and fitness instructors, their contributions make a clear impact on our business.

We continue to make our Water Technology Training Scholarship Program available to diverse suppliers, where they can take classes to improve their proficiency and competitiveness in preparation for the State Water Resources Control Board's Water Distribution/Treatment test.

Lastly, as part of the California Water Association, we support their Mentor Protégé Program in several ways, including financial contributions, donations of time, and networking opportunities with our project managers.

External Outreach

We reach out to our communities actively to discuss many aspects of our program: its structure, its benefits, ways to participate, and bidding opportunities in our service areas.

Throughout the year we attended 50+ events across the state, supporting different community-based organizations (CBOs). In many instances, we brought personnel from our local operations for their unique understanding of their own communities. From panel discussions to workshops, mixers to matchmaking events, we took every opportunity to invite diverse suppliers to participate in our program.

To continue these efforts we have communicated to CBOs our upcoming bidding opportunities, which they in turn will share with their communities. After all, they face the same challenges we do: lack of available suppliers.

We continue hosting roundtables with diverse suppliers as follow-ups to initial meetings at outreach events. These meetings are an integral part of our onboarding process as they give our engineering team the opportunity to review in detail suppliers' experience, qualifications, and references.

In 2016, we strengthened our relationship with the LGBTBE community as part of our outreach efforts. We attended many chamber mixers and an annual event focused on supplier diversity, and we expect this partnership to remain strong. We look forward to further collaboration in 2017.

We also took an active role with the CBOs, participating in advisory committees, diversity committees, and board meetings for several institutions. By representing the utilities' perspective, we enhanced their outreach efforts, events, and overall direction.

In conjunction with the California Water Association's Utilities Supplier Diversity Program Committee, California Water Service participated in all of the activities listed below.

Jan

- Rainbow Chamber Monthly Mixer; San Jose, CA
- San Jose Chamber of Commerce Monthly Breakfast; San Jose, CA
- USDP Monthly Meeting; Fontana, CA

Feb

- Business Matchmaking; Anaheim, CA
- Campbell Chamber of Commerce, Monthly Luncheon; Campbell, CA
- CUDC Monthly Meeting; San Francisco, CA
- DVBA Monthly Meeting; Los Angeles, CA
- DVBA Monthly Meeting; New Port Beach, CA
- DVBA Monthly Meeting; San Francisco, CA
- San Jose Chamber of Commerce Monthly Networking Mixer; San Jose, CA
- Santa Clara Chamber of Commerce Monthly Mixer; San Jose, CA
- USDP Monthly Meeting; San Dimas, CA

Mar

- CPUC Small Business Expo; Pasadena, CA
- DVBA Southern California Construction Expo; Camp Pendleton, CA
- Hawthorne Chamber of Commerce's 2016 Business Expo; Hawthorne, CA
- Joint Utilities Quarterly Meeting; Las Vegas, NV
- San Diego PTAC's Contracting Connections; San Diego, CA
- USDP Monthly Meeting; Las Vegas, NV

Apr

- 6th Annual Southern CA SBA 8(A) and Small Business Conference; Garden Grove, CA
- DVBA Monthly Meeting; San Jose, CA
- FMBCC 2016 Central Valley Business Diversity Expo; Fresno, CA
- Hispanic Chamber of Commerce Silicon Valley, Monthly Business Mixer; San Jose, CA
- Rainbow Chamber Connect: 2016; Santa Clara, CA
- USDP Monthly Meeting; San Jose, CA
- WRMSDC 2016 Excellence in Supplier Diversity Awards Gala; San Francisco, CA

May

- CUDC Monthly Meeting; Sacramento, CA
- DVBA Keeping the Promise; Arlington, TX
- Minority Business Development Agency's Diversity in Contracting; Fresno, CA
- Sacramento's Regional The Connecting Point; Sacramento, CA
- The Greenlining Institute's Economic Summit; Oakland, CA
- The Who's Who Sacramento Showcase & Seminar; Sacramento, CA
- USDP Monthly Meeting; West Covina, CA

Jun

- Joint Utilities Quarterly Meeting; Sacramento, CA
- USDP Monthly Meeting; Sacramento, CA

Jul

- American Indian Chamber of Commerce Expo 12th Anniversary; Rancho Mirage, CA
- DVBA IT & Professional Services Expo; San Ramon, CA
- Rainbow Chamber Monthly Mixer; San Jose, CA

Aug

- CWA Board of Director's Meeting; Sacramento, CA
- Elite SDVOB Annual National Convention of Service Disabled Veteran and Small Businesses; San Antonio, TX
- Kern Black Chamber of Commerce, Small Business Diversity Expo; Bakersfield, CA
- WRMSDC 2016 Minority Business Opportunity Expo; South San Francisco, CA

Sep

- 14th Annual GO 156 Supplier Diversity En Banc; South San Francisco, CA
- DVBA Contacts into Contracts; Downey, CA
- Rainbow Chamber Monthly Mixer; San Jose, CA
- USDP Monthly Meeting; South San Francisco, CA

Oct

- Asian Inc 45th Annual Gala; San Francisco, CA
- CPUC Small Business Expo; Fresno, CA
- CWA Meet the Primes; Long Beach, CA
- Elite SDVOB Outreach & Meet the Primes; San Ramon, CA
- FMBCC Networking Mixer; Fresno, CA
- Hispanic Chamber of Commerce Silicon Valley, Festiv'all; San Jose, CA
- Joint Utilities Quarterly Meeting; San Diego, CA
- Rainbow Chamber Monthly Mixer; San Jose, CA
- USDP Monthly Meeting; Long Beach, CA

Nov

- American Indian Chamber of Commerce Native American Heritage Month Commemorative Luncheon; Anaheim, CA
- Blacks 'n Business, Blacks 'n Technology; Fremont, CA
- CWA Board of Director's Meeting; Monterey, CA
- Elite SDVOB Monthly Meeting; San Jose, CA
- ICSBD Quarterly Supplier Diversity Manager Roundtable; San Jose, CA
- Rainbow Chamber Board Meeting; Campbell, CA
- Santa Clara County Intercultural Competency Advisory Council Workgroup; San Jose, CA
- USDP Monthly Meeting; Anaheim, CA

Dec

- 2016 VBOC and DGS Small Business Summit; Sacramento, CA
- Astra Best Practices Supplier Diversity Summit; San Francisco, CA
- CUDC Monthly Meeting; WebEx
- CWA Board of Director's Meeting; San Jose, CA
- Elite SDVOB Monthly Meeting; San Jose, CA
- Joint Utilities Quarterly Meeting; San Francisco, CA
- Rainbow Chamber Annual Luncheon; San Jose, CA
- Rainbow Chamber Board Meeting; Campbell, CA
- USDP Monthly Meeting; San Francisco, CA

Vendor Spotlight: Podo Legal



Podo Legal is a small Bay Area consulting company that provides legal services, regulatory support, and compliance consulting. The company was founded in 2008 by Eunice Ko, a seasoned litigator, and Dean Vanech, a veteran consultant and legal services provider. Podo serves corporate legal departments and business units by assisting them with internal and external projects involving research, analysis, and the application of efficient project management techniques to complex challenges.

At any given time, Podo employs up to forty full-time and temporary employees. They work collaboratively to deliver superb, cost-effective work, especially in compressed timeframes on high-stakes legal, regulatory, and compliance projects. Their client engagements include the services of single attorneys, consultants, and project managers, as well as large teams of supplemental resources managed by Podo Legal team leads.

After meeting Cal Water in late 2014 at a Diverse Supplier event, Podo received a first opportunity in early 2015, assisting an engineering team with its municipal permitting obligations related to a construction project. Since then, Cal Water has engaged Podo again to assist a different team in a similar way with a larger project.

Podo is proud to be a valued service provider and thrilled to support Cal Water's mission of providing quality, service, and value through high-quality regulated and non-regulated utility services.

Podo shares Cal Water's commitment to leadership and making a difference in the community. They are pleased to support educational and animal-welfare non-profit organizations, local Bar Associations, and San Francisco's Asian Art Museum.

9.1.2 WMDVLGBTBE Annual Results by Ethnicity

			2016			
			Direct	Sub	Total \$	%
1	Minority Male	Asian Pacific American	\$ 4,606,390.23	\$ 516,816.05	\$ 5,123,206.28	2.31%
2		African American	\$ 137,932.84	\$ -	\$ 137,932.84	0.06%
3		Hispanic American	\$ 16,558,705.00	\$ 6,721,105.04	\$ 23,279,810.04	10.50%
4		Native American	\$ 1,125,507.60	\$ 230,209.55	\$ 1,355,717.15	0.61%
5		Total Minority Male	\$ 22,428,535.67	\$ 7,468,130.64	\$ 29,896,666.31	13.48%
6	Minority Female	Asian Pacific American	\$ 780,631.81	\$ 15,260.00	\$ 795,891.81	0.36%
7		African American	\$ 56,461.81	\$ -	\$ 56,461.81	0.03%
8		Hispanic American	\$ 3,845,343.30	\$ 210,416.32	\$ 4,055,759.62	1.83%
9		Native American	\$ -	\$ -	\$ -	0.00%
10		Total Minority Female	\$ 4,682,436.92	\$ 225,676.32	\$ 4,908,113.24	2.21%
11	Total Minority Business Enterprise (MBE)		\$ 27,110,972.59	\$ 7,693,806.96	\$ 34,804,779.55	15.69%
12	Women Business Enterprise (WBE)		\$ 7,860,332.21	\$ 3,702,131.37	\$ 11,562,463.58	5.21%
13	Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)		\$ 23,393.46	\$ -	\$ 23,393.46	0.01%
14	Disabled Veteran Business Enterprise (DVBE)		\$ 2,029,610.72	\$ 44,295.05	\$ 2,073,905.77	0.94%
15	Other 8(a)		\$ -	\$ -	\$ -	0.00%
16	Total WMDVLGBTBE		\$ 37,024,308.98	\$ 11,440,233.38	\$ 48,464,542.36	21.85%
17	Net Procurement		\$ 221,807,528.82			

9.1.2 WMDVLGBTBE Direct Procurement by Product and Service Categories

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Direct	\$ 1,407,999.95	0.63%	\$ 3,198,390.28	1.44%	\$ 4,606,390.23	2.08%
2		African American	Direct	\$ 10,477.60	0.00%	\$ 127,455.24	0.06%	\$ 137,932.84	0.06%
3		Hispanic American	Direct	\$ 475,777.44	0.21%	\$ 16,082,927.56	7.25%	\$ 16,558,705.00	7.47%
4		Native American	Direct	\$ 644,273.99	0.29%	\$ 481,233.61	0.22%	\$ 1,125,507.60	0.51%
5		Total Minority Male	Direct	\$ 2,538,528.98	1.14%	\$ 19,890,006.69	8.97%	\$ 22,428,535.67	10.11%
6	Minority Female	Asian Pacific American	Direct	\$ 49.97	0.00%	\$ 780,581.84	0.35%	\$ 780,631.81	0.35%
7		African American	Direct	\$ 23,883.45	0.01%	\$ 32,578.36	0.01%	\$ 56,461.81	0.03%
8		Hispanic American	Direct	\$ 446,152.61	0.20%	\$ 3,399,190.69	1.53%	\$ 3,845,343.30	1.73%
9		Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Direct	\$ 470,086.03	0.21%	\$ 4,212,350.89	1.90%	\$ 4,682,436.92	2.11%
11	Total Minority Business Enterprise (MBE)		Direct	\$ 3,008,615.01	1.36%	\$ 24,102,357.58	10.87%	\$ 27,110,972.59	12.22%
12	Women Business Enterprise (WBE)		Direct	\$ 2,047,086.14	0.92%	\$ 5,813,246.07	2.62%	\$ 7,860,332.21	3.54%
13	Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)		Direct	\$ 135.46	0.00%	\$ 23,258.00	0.01%	\$ 23,393.46	0.01%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$ 99,194.50	0.04%	\$ 1,930,416.22	0.87%	\$ 2,029,610.72	0.92%
15	Other 8(a)		Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	Total WMDVLGBTBE		Direct	\$ 5,155,031.11	2.32%	\$ 31,869,277.87	14.37%	\$ 37,024,308.98	16.69%

17	Total Product Procurement	\$ 45,868,204.76
18	Total Service Procurement	\$ 175,939,324.06
19	Net Procurement	\$ 221,807,528.82
20	Total Number of WMDVLGBTBEs that Received Direct Spend	175

9.1.2 WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Sub	\$ 6,836.40	0.00%	\$ 509,979.65	0.23%	\$ 516,816.05	0.23%
2		African American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
3		Hispanic American	Sub	\$ 1,219,078.48	0.55%	\$ 5,502,026.56	2.48%	\$ 6,721,105.04	3.03%
4		Native American	Sub	\$ 230,209.55	0.10%	\$ -	0.00%	\$ 230,209.55	0.10%
5		Total Minority Male	Sub	\$ 1,456,124.43	0.66%	\$ 6,012,006.21	2.71%	\$ 7,468,130.64	3.37%
6	Minority Female	Asian Pacific American	Sub	\$ -	0.00%	\$ 15,260.00	0.01%	\$ 15,260.00	0.01%
7		African American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
8		Hispanic American	Sub	\$ 57,676.82	0.03%	\$ 152,739.50	0.07%	\$ 210,416.32	0.09%
9		Native American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Sub	\$ 57,676.82	0.03%	\$ 167,999.50	0.08%	\$ 225,676.32	0.10%
11	Total Minority Business Enterprise (MBE)		Sub	\$ 1,513,801.25	0.68%	\$ 6,180,005.71	2.79%	\$ 7,693,806.96	3.47%
12	Women Business Enterprise (WBE)		Sub	\$ 642,206.43	0.29%	\$ 3,059,924.94	1.38%	\$ 3,702,131.37	1.67%
13	Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$ 37,503.77	0.02%	\$ 6,791.28	0.00%	\$ 44,295.05	0.02%
15	Other 8(a)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	Total WMDVLGBTBE		Sub	\$ 2,193,511.45	0.99%	\$ 9,246,721.93	4.17%	\$ 11,440,233.38	5.16%

17	Total Product Procurement	\$ 45,868,204.76
18	Total Service Procurement	\$ 175,939,324.06
19	Net Procurement	\$ 221,807,528.82

9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
07: AGRICULTURAL SERVICES	\$	121,521.00	15,260.00	-	-	186,446.72	8,655.00	-	-	331,882.72	-	-	-	331,882.72	1,715,228.75
	%	0.05%	0.01%			0.08%	0.00%			0.15%				0.15%	0.77%
14: NONMETALLIC MINERALS, EXCEPT FUELS	\$	-	-	-	-	-	27,513.04	-	-	27,513.04	24,907.50	-	-	52,420.54	52,420.54
	%						0.01%			0.01%	0.01%			0.02%	0.02%
15: GENERAL BUILDING CONTRACTORS	\$	-	-	-	9,463.00	-	56,816.00	-	-	66,279.00	253,945.12	-	90,337.80	410,561.92	1,608,559.59
	%				0.00%		0.03%			0.03%	0.11%		0.04%	0.19%	0.73%
16: HEAVY CONSTRUCTION, EXCEPT BUILDING	\$	-	-	-	-	16,722,683.23	3,247,055.22	89,330.73	-	20,059,069.18	581,540.50	-	1,426,593.18	22,067,202.86	93,679,108.02
	%					7.54%	1.46%	0.04%		9.04%	0.26%		0.64%	9.95%	42.23%
17: SPECIAL TRADE CONTRACTORS	\$	241,751.30	-	-	-	3,164,263.71	222,953.36	-	-	3,628,968.37	1,154,815.77	-	5,570.84	4,789,354.98	18,992,752.58
	%	0.11%				1.43%	0.10%			1.64%	0.52%		0.00%	2.16%	8.56%
22: TEXTILE MILL PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	5,663.65
	%														0.00%
23: APPAREL AND OTHER TEXTILE PRODUCTS	\$	-	-	-	23,566.04	-	151,830.41	-	-	175,396.45	157,779.62	-	-	333,176.07	358,619.28
	%				0.01%		0.07%			0.08%	0.07%			0.15%	0.16%
27: PRINTING AND PUBLISHING	\$	-	-	-	-	-	16,403.31	-	-	16,403.31	41,179.16	11,385.46	-	68,967.93	1,628,588.02
	%						0.01%			0.01%	0.02%	0.01%		0.03%	0.73%
28: CHEMICALS AND ALLIED PRODUCTS	\$	671,267.55	-	-	2,049.59	-	-	-	-	673,317.14	35,907.30	-	99,085.81	808,310.25	3,045,770.34
	%	0.30%			0.00%					0.30%	0.02%		0.04%	0.36%	1.37%
30: RUBBER AND MISC. PLASTICS PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	2,588.40
	%														0.00%
32: STONE, CLAY, AND GLASS PRODUCTS	\$	-	-	-	-	288.39	43,314.47	-	-	43,602.86	-	-	-	43,602.86	446,713.37
	%					0.00%	0.02%			0.02%				0.02%	0.20%
33: PRIMARY METAL INDUSTRIES	\$	-	-	-	-	-	-	-	-	-	31,661.75	-	-	31,661.75	203,470.99
	%										0.01%			0.01%	0.09%
34: FABRICATED METAL PRODUCTS	\$	-	-	4,227.60	-	303,300.60	-	-	-	307,528.20	-	-	-	307,528.20	15,613,534.81
	%			0.00%		0.14%				0.14%				0.14%	7.04%

35: INDUSTRIAL MACHINERY AND EQUIPMENT	\$	-	-	-	-	-	-	-	-	948,243.55	-	-	948,243.55	5,687,454.04	
	%									0.43%			0.43%	2.56%	
36: ELECTRONIC & OTHER ELECTRIC EQUIPMENT	\$	-	-	-	-	-	-	-	-	-	-	-	-	621,522.11	
	%													0.28%	
37: TRANSPORTATION EQUIPMENT	\$	-	-	-	-	-	630,632.04	-	630,632.04	-	-	-	630,632.04	799,722.30	
	%						0.28%		0.28%				0.28%	0.36%	
38: INSTRUMENTS AND RELATED PRODUCTS	\$	-	-	-	-	91,403.83	-	-	91,403.83	-	-	-	91,403.83	3,945,701.39	
	%					0.04%			0.04%				0.04%	1.78%	
39: MISC. MANUFACTURING INDUSTRIES	\$	-	-	-	-	-	-	-	-	-	4,585.00	-	4,585.00	5,117.00	
	%										0.00%		0.00%	0.00%	
41: LOCAL AND INTERURBAN PASSENGER TRANSIT	\$	-	-	-	-	-	-	-	-	-	-	-	-	5,904.66	
	%													0.00%	
42: TRUCKING AND WAREHOUSING	\$	268,228.35	-	-	8,372.95	343,218.51	4,032.00	-	-	623,851.81	1,960,782.00	-	-	2,584,633.81	2,746,422.60
	%	0.12%			0.00%	0.15%	0.00%			0.28%	0.88%			1.17%	1.24%
44: WATER TRANSPORTATION	\$	-	-	-	-	-	-	-	-	-	-	-	-	23,890.71	
	%													0.01%	
45: TRANSPORTATION BY AIR	\$	-	-	-	-	-	-	-	-	-	-	-	-	712.32	
	%													0.00%	
47: TRANSPORTATION SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-	-	14,002.07	
	%													0.01%	
48: COMMUNICATION	\$	-	-	-	-	-	-	-	-	-	-	-	-	149,904.07	
	%													0.07%	
49: ELECTRIC, GAS, AND SANITARY SERVICES	\$	-	-	-	-	-	-	-	-	213,603.02	-	4,210.00	217,813.02	572,283.53	
	%									0.10%		0.00%	0.10%	0.26%	
50: WHOLESALE TRADE - DURABLE GOODS	\$	35,324.40	-	-	317.41	363,341.96	2,628.23	218,468.03	-	620,080.03	1,576,906.31	-	43,156.27	2,240,142.61	8,853,640.92
	%	0.02%			0.00%	0.16%	0.00%	0.10%		0.28%	0.71%		0.02%	1.01%	3.99%
51: WHOLESALE TRADE - NONDURABLE GOODS	\$	-	-	-	-	67,873.24	226,257.87	-	-	294,131.11	4,640.83	-	108.69	298,880.63	1,553,877.91
	%					0.03%	0.10%			0.13%	0.00%		0.00%	0.13%	0.70%
52: BUILDING MATERIALS AND HARDWARE	\$	-	-	-	-	-	1,370.09	-	-	1,370.09	178,508.19	-	-	179,878.28	1,199,986.96
	%						0.00%			0.00%	0.08%			0.08%	0.54%

53: GENERAL MERCHANDISE STORES	\$	4,953.07	-	-	-	-	-	-	-	4,953.07	7,042.51	-	-	11,995.58	125,381.69
	%	0.00%								0.00%	0.00%			0.01%	0.06%
54: FOOD STORES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	169,954.22
	%														0.08%
55: AUTOMOTIVE DEALERS & SERVICE STATIONS	\$	707,089.68	-	-	-	1,224,759.40	-	25,383.47	-	1,957,232.55	171.51	-	-	1,957,404.06	6,475,435.26
	%	0.32%				0.55%		0.01%		0.88%	0.00%			0.88%	2.92%
56: APPAREL AND ACCESSORY STORES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	101,375.19
	%														0.05%
57: FURNITURE AND HOMEFURNISHINGS STORES	\$	-	49.97	-	-	-	-	-	-	49.97	284.88	-	-	334.85	178,399.51
	%		0.00%							0.00%	0.00%			0.00%	0.08%
58: EATING AND DRINKING PLACES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	610,229.28
	%														0.28%
59: MISCELLANEOUS RETAIL	\$	-	-	-	-	-	682.01	-	-	682.01	68,681.28	-	-	69,363.29	752,309.11
	%						0.00%			0.00%	0.03%			0.03%	0.34%
60: DEPOSITORY INSTITUTIONS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	156,917.96
	%														0.07%
62: SECURITY AND COMMODITY BROKERS	\$	-	-	25,000.00	-	-	-	-	-	25,000.00	-	-	-	25,000.00	100,199.96
	%			0.01%						0.01%				0.01%	0.05%
63: INSURANCE CARRIERS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	122,977.51
	%														0.06%
64: INSURANCE AGENTS, BROKERS, & SERVICE	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	253,267.92
	%														0.11%
65: REAL ESTATE	\$	-	-	-	-	-	3,305.00	-	-	3,305.00	-	-	-	3,305.00	18,962.00
	%						0.00%			0.00%				0.00%	0.01%
70: HOTELS AND OTHER LODGING PLACES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	176.00
	%														0.00%
72: PERSONAL SERVICES	\$	-	300.00	-	-	842.40	-	-	-	1,142.40	24,746.22	-	-	25,888.62	214,575.18
	%		0.00%			0.00%				0.00%	0.01%			0.01%	0.10%
73: BUSINESS SERVICES	\$	2,990,952.93	758,676.19	7,572.72	12,692.82	391,746.70	21,431.14	-	-	4,183,072.50	3,449,350.45	12,008.00	61,979.84	7,706,410.79	18,007,330.45
	%	1.35%	0.34%	0.00%	0.01%	0.18%	0.01%			1.89%	1.56%	0.01%	0.03%	3.47%	8.12%

75: AUTO REPAIR, SERVICES, AND PARKING	\$	-	-	-	-	22,489.43	-	-	-	22,489.43	-	-	-	22,489.43	351,525.61
	%					0.01%				0.01%				0.01%	0.16%
76: MISCELLANEOUS REPAIR SERVICES	\$	-	-	-	-	-	-	-	-	-	781.83	-	-	781.83	368,424.92
	%										0.00%			0.00%	0.17%
78: MOTION PICTURES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	1,798.21
	%														0.00%
79: AMUSEMENT & RECREATION SERVICES	\$	-	5,300.00	-	-	-	-	-	-	5,300.00	-	-	-	5,300.00	60,340.55
	%		0.00%							0.00%				0.00%	0.03%
80: HEALTH SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	58,412.52
	%														0.03%
81: LEGAL SERVICES	\$	-	9,500.45	-	-	-	-	-	-	9,500.45	-	-	-	9,500.45	479,405.15
	%		0.00%							0.00%				0.00%	0.22%
82: EDUCATIONAL SERVICES	\$	-	-	-	-	10,350.00	-	-	-	10,350.00	905.32	-	-	11,255.32	108,015.20
	%					0.00%				0.00%	0.00%			0.01%	0.05%
83: SOCIAL SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	16,064.95
	%														0.01%
86: MEMBERSHIP ORGANIZATIONS	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	251.90
	%														0.00%
87: ENGINEERING & MANAGEMENT SERVICES	\$	82,118.00	6,805.20	101,132.52	-	318,444.22	14,105.00	391,902.88	-	914,507.82	769,823.49	-	338,278.34	2,022,609.65	28,119,415.53
	%	0.04%	0.00%	0.05%		0.14%	0.01%	0.18%		0.41%	0.35%		0.15%	0.91%	12.68%
89: SERVICES, (NOT ELSEWHERE CLASSIFIED)	\$	-	-	-	-	68,357.70	7,407.47	-	-	75,765.17	76,255.47	-	-	152,020.64	1,423,222.11
	%					0.03%	0.00%			0.03%	0.03%			0.07%	0.64%

TOTAL	\$	5,123,206.28	795,891.81	137,932.84	56,461.81	23,279,810.04	4,055,759.62	1,355,717.15	-	34,804,779.55	11,562,463.58	23,393.46	2,073,905.77	48,464,542.36	221,807,528.82
	%	2.31%	0.36%	0.06%	0.03%	10.50%	1.83%	0.61%		15.69%	5.21%	0.01%	0.94%	21.85%	100.00%

Total Product Procurement	\$ 45,868,204.76
Total Service Procurement	\$ 175,939,324.06
Net Procurement	\$ 221,807,528.82

9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

# WMDVLGBTBEs	Data on Number of Suppliers											
	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total
Under \$1 million or Unknown	34	24	2	19	-	79	110	77	2	18	-	207
Under \$5 million	25	22	-	-	-	47	5	2	-	1	-	8
Under \$10 million	17	7	-	-	-	24	-	-	-	-	-	-
Above \$10 million	40	26	-	-	-	66	1	-	-	-	-	1
TOTAL	116	79	2	19	-	216	116	79	2	19	-	216

WMDVLGBTBE \$M	Revenue and Payment Data											
	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total
Under \$1 million or Unknown	\$11.5	\$47.8	\$1.4	\$.	\$.	\$60.8	\$11.7	\$7.8	\$.	\$8	\$.	\$20.2
Under \$5 million	\$55.2	\$54.2	\$.	\$.	\$.	\$109.4	\$9.6	\$3.8	\$.	\$1.3	\$.	\$14.6
Under \$10 million	\$117.3	\$56.1	\$.	\$.	\$.	\$173.5	\$.	\$.	\$.	\$.	\$.	\$.
Above \$10 million	\$5,901.3	\$10,477.4	\$.	\$.	\$.	\$16,378.6	\$13.6	\$.	\$.	\$.	\$.	\$13.6
TOTAL	\$6,085.3	\$10,635.5	\$1.4	\$.	\$.	\$16,722.3	\$34.8	\$11.6	\$.	\$2.1	\$.	\$48.5

9.1.2 Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

Based on information from the Supplier Clearinghouse, we have identified 203 WMDVLGBTBE suppliers for whom California is their main contact location.

9.1.3 WMDVLGBTBE Program Expenses

Expense Category	2016
Wages	\$ 64,017.92
Other Employment Expenses	\$ 33,810.45
Program Expenses	\$ 14,205.05
Reporting Expenses	\$ -
Training	\$ -
Consultants	\$ 33,600.00
Other	\$ 10,456.36
TOTAL	\$ 156,089.78

1. Wages: salary and payroll-related costs of permanent and temporary employees working on supplier diversity
2. Other Employment Expenses: office space, travel, and non-wage costs
3. Program Expenses: printing, postage, supplies, outreach, and other costs directly related to the program
4. Reporting Expenses: computer, accounting, and other expenses incurred preparing reports for the CPUC
5. Training: costs related to training employees (internal) and suppliers (external); included in Wages
6. Consultants: Cal Water's portion of CWA USDP consultant fees
7. Other: Cal Water's portion of expenses captured and disbursed by CWA for Class A Companies' USDP and Cal Water's cost for the CPUC Supplier Diversity Clearinghouse

Vendor Spotlight: KB Fitness Studio



KB Fitness Exercise Studio is proud to be the vendor bringing quality group exercise classes to Cal Water employees since March 2016.

A great benefit for Cal Water employees, KB Fitness offers a selection of Boot Camp and yoga/Pilates classes. Classes are offered on site, Monday through Friday, making it easy and convenient to get into an exercise program.

Studies prove that offering wellness programs as an employee benefit yields plenty of positive results, including decrease in illness-related absenteeism, increase in productivity, and greater overall job satisfaction.

Kathy Jo Burgett — the "KB" in KB Fitness — is no stranger to health and wellness. Part of the fitness industry since 1974, she received her first aerobic certification from Oral Roberts University in Tulsa, OK. Serendipitously, she earned her degree in Physical Education — with an emphasis in dancing and coaching — just as the aerobic-dance boom hit in the 70s. Through the years, KB has collected many other certifications, as well as the experience necessary to choose high-quality instructors and teach a wide variety of styles.

KB Fitness has been doing business in the San Jose Community for twelve years and managing corporate fitness sites since 1994.

KB Fitness now manages over fourteen corporate off-site locations and employs over thirty instructors.

Burgett is honored to create so many jobs in the community and looks forward to continued growth.

9.1.4 Description of Progress in Meeting or Exceeding Set Goals

Our program made significant advances in 2016, but we also faced many challenges.

One of our diverse contractors, who had a three-year master contract on underground pipeline and maintenance/repair work, went out of business. We lost approximately \$2.2M in annual diverse supplier expenditures.

Due to noncompliance and inadequate customer service, we were forced to terminate contracts with certain diverse firms; a traffic-management firm in the Central Valley was insufficiently responsive, a sand-blasting firm in the L.A. basin elicited safety concerns. These issues had an impact of \$790,000 in diverse expenditures.

A few diverse suppliers failed to submit bids or to meet technical specifications, and projects were awarded to non-diverse suppliers. This affected our performance by as much as \$5.5M.

Many eligible firms declined to renew or to go through the certification process, due to either privacy concerns or the amount of paperwork required. For this reason, we failed to account for almost \$699,000.

Mergers and acquisitions also played a role; an MBE IT firm was acquired by a non-diverse vendor, which had an impact of \$130,000 on diverse expenditures.

Many manufacturers lack diverse suppliers as authorized distribution channels, which made it difficult to source from certified suppliers. This affected our performance by as much as \$400,000.

In terms of purchasing water treatment chemicals, we have identified a competitive firm for Northern California, but finding distributors for the Central Valley and Southern California presents a challenge; available suppliers must compete directly with the manufacturers, who are able to provide supplies without a markup.

Similarly, certain geographical areas lack diverse suppliers (e.g. Chico, Selma, and Visalia) for basic services such as landscaping or janitorial.

9.1.4 WMDVLGBTBE Results and Goals

Category	Results	Goals
Minority Men	13.48%	12.00%
Minority Women	2.21%	3.00%
Minority Business Enterprise (MBE)	15.69%	15.00%
Women Business Enterprise (WBE)	5.21%	5.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)	0.01%	N/A
Disabled Veteran Business Enterprise (DVBE)	0.94%	1.50%
TOTAL WMDVLGBTBE	21.85%	21.50%

As we move forward with our supplier diversity efforts, we remain focused on further increasing the participation of varied communities in our projects.

In 2016 we achieved a \$2.0M expenditure with DVBEs compared to \$0.7M in 2015, a growth of 185%. With the majority through direct purchases, this is the result of our efforts to evolve our subcontractors into direct suppliers.

Furthermore, our strengthened relationship with African American CBOs is paying off; as we incorporated a Central Valley-based biological/regulatory firm into our supply chain for a compliance project in the region.

In terms of the Native American community, our efforts translated into \$1.3M in expenditures for 2016 compared to \$0.7M in 2015, an 85% growth in participation.

We continued to engage with the LGBTBE community to identify other suppliers that could participate in our projects, however we have faced challenges finding vendors that can service commercial/industrial entities.

9.1.5 Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

We place high value on the relationship with our primes and their support of our supplier diversity program through subcontracting.

To this end, we worked to strengthen their subcontracting program, reporting \$11.4M in 2016 from \$5.7M, an increase of 100% over 2015.

Throughout the year we worked with one of our primes to start their program. This entailed surveying eighty current suppliers to determine their certifications or eligibility, followed by providing assistance and coaching through the certification process and updating their internal systems to initiate Tier 2 reporting.

Our prime contractors also join us in outreach events. West Valley Construction Company participated in the CPUC's Small Business Expo in Fresno, while W. A. Rasic Construction attended the California Water Association's (CWA) Meet the Primes event in Long Beach.

During these events, our primes have the opportunity to meet diverse subcontractors and discuss their qualifications, past experience, and upcoming projects to support. Their participation is a testament to the success of our program and their recognition of its value to their operations.

Unfortunately, they have faced many of our same challenges: diverse distribution channels for materials are limited and non-competitive, service work is self-performed, and certified suppliers for other services are difficult to find.

To further support our program internally, we have incorporated subcontracting language into our requests for proposals (RFP) and contracts for major construction projects. These provisions outline our expectations and mirror what General Order 156 states.

9.1.5 Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE
Direct \$	\$ 22,428,535.67	\$ 4,682,436.92	\$ 27,110,972.59	\$ 7,860,332.21	\$ 23,393.46	\$ 2,029,610.72	\$ -	\$ 37,024,308.98
Subcontracting \$	\$ 7,468,130.64	\$ 225,676.32	\$ 7,693,806.96	\$ 3,702,131.37	\$ -	\$ 44,295.05	\$ -	\$ 11,440,233.38
Total \$	\$ 29,896,666.31	\$ 4,908,113.24	\$ 34,804,779.55	\$ 11,562,463.58	\$ 23,393.46	\$ 2,073,905.77	\$ -	\$ 48,464,542.36

Direct %	10.11%	2.11%	12.22%	3.54%	0.01%	0.92%	0.00%	16.69%
Subcontracting %	3.37%	0.10%	3.47%	1.67%	0.00%	0.02%	0.00%	5.16%
Total %	13.48%	2.21%	15.69%	5.21%	0.01%	0.94%	0.00%	21.85%

Net Procurement	\$ 221,807,528.82
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Vendor Spotlight: West Valley Construction Company, Inc.

For 58 years, **West Valley Construction Company, Inc.** (WVC) has been committed to their customers' needs. Their support of Cal Water is no exception.

WMDVLGBTBE Commitment

Since 1958, We Build It Right! has been the cornerstone of WVC's philosophy. To maintain and supplement high performance standards, they look to suppliers and subcontractors that are aligned with their philosophy and support their mission.

Working with women-, minority-, disabled veteran- and LGBT-owned business enterprises (WMDVLGBTBE) and supporting small businesses in their own working communities have been part of WVC's commitment for over fifty years. They recognize that continually evaluating diverse suppliers is an important part of providing the level of service that has been, and remains, the industry standard for their customers. They have found that minority business owners who have overcome challenges in the marketplace are highly skilled and specially motivated to provide the excellent quality and service customers have come to rely on from WVC.



Outreach

Visibility, outreach, and mentorship were important aspects of developing key business relationships in 2016. WVC has increased its visibility to the diverse supplier community through attendance at various industry outreach events, direct contact with like-minded companies, and their mentorship program. They have also provided various resources to select companies to support on-going initiatives. They work consistently with the integral day-to-day operations of companies, including trucking, pipe suppliers, materials, paving, traffic control, excavation, and saw cutting. WVC's contribution to the success of these companies cannot be underestimated.

Workforce

WVC's commitment to diversity extends beyond a network of suppliers and contractors; it is reflected in the makeup of their workforce, of which women and minorities comprise over 60%. This represents an increase in minority representation in their management team during 2016.

West Valley is proud of their diverse spend program and is committed to achieving results that support Cal Water's GO156 goals.

Hispanic Men	258	53.5%
White Men	177	36.7%
Pacific Islander Men	7	1.5%
Black Men	5	1.0%
Asian Men	9	1.9%
Multi Ethnic Men	3	0.6%
White Women	14	2.9%
Asian Women	4	0.8%
Hispanic Women	5	1.0%
Total Employees	482	

9.1.6 WMDVLGBTBE Complaints Received and Current Status

No complaints were received.

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

We have made tremendous effort to improve low utilization categories spending, but we still face many challenges.

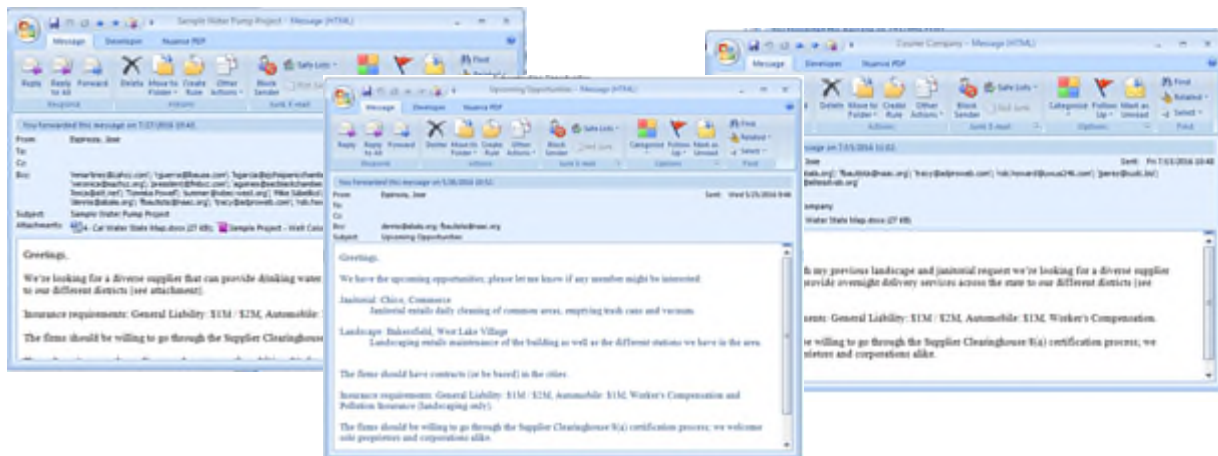
We are aware that many manufacturers have no diverse suppliers as authorized distribution channels; generators for example, are used as backup power for many of our installations. To find such distributors, we first searched on the Supplier Clearinghouse and reached out to 54 suppliers with RFI documents. Unfortunately, this yielded no responses.

Subsequently, we reached out to the manufacturer's Supplier Diversity Manager, who identified an authorized MBE. This MBE proved to be non-responsive when we requested basic information about product line and office locations.

To date, the area of factory-assembled generators still offers no diverse vendors. This amounts to approximately \$400,000 in opportunities.

In terms of water treatment chemicals, we have invited many diverse firms to bid, but their pricing is not competitive. Furthermore, we have requested that our Northern California distributor support us in the Central Valley and Southern California, but they lack the necessary infrastructure.

Throughout the year, we have also communicated to the various CBOs our upcoming opportunities for services in specialized industries and remote areas. Unfortunately, they too were unable to find suppliers.



Finally, we have established relationships with the Fresno Metro Black Chamber of Commerce and the Kern County Black Chamber of Commerce to develop suppliers in those regions. We hope to have some breakthroughs in the coming years.

2017 ANNUAL PLAN

10.1.1 WMDVLGBTBE Annual Short, Mid, and Long-Term Goals

In 2017, Cal Water's goal is to meet the overall 21.5% spending-level target set by the Commission and the individual goals per category. We are also focused on increasing business with the LGBTBE community.

Category	Results	Short Term Goals	Mid Term Goals	Long Term Goals
Minority Men	13.48%	12.00%	12.00%	12.00%
Minority Women	2.21%	3.00%	3.00%	3.00%
Minority Business Enterprise (MBE)	15.69%	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	5.21%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprise (LGBTBE)	0.01%	N/A	N/A	N/A
Disabled Veteran Business Enterprise (DVBE)	0.94%	1.50%	1.50%	1.50%
TOTAL WMDVLGBTBE	21.85%	21.50%	21.50%	21.50%

10.1.2 Description of WMDVLGBTBE Planned Program Activities

We will continue using our framework to guide our annual activities.

Cal Water Supplier Diversity Program				
Procurement Policy <ul style="list-style-type: none"> Inclusion in competitive bidding 	External Outreach <ul style="list-style-type: none"> Cal Water representatives' participation Hosting roundtables and meet-and-greet 	Internal Communications <ul style="list-style-type: none"> Company-wide program updates 	Subcontracting Opportunities <ul style="list-style-type: none"> Expanding current programs Initiating new programs Subcontracting language on RFP/RFQ 	Technical Assistance and Capacity-Building <ul style="list-style-type: none"> Water Technology Training WMDVBE Scholarship Program California Water Association's (CWA) Mentor-Protégé Pilot Program (MPPP) The Supplier Clearinghouse certification assistance

Internal Program Activities

As proven in 2016, our procurement policy is key for opening for new vendors. We will continue with its application in 2017.

We will continue our internal communications as an effective means to keep our program relevant and our associates up-to-date on our initiatives. We will feature success stories, program savings, and legislative updates, as well as a dashboard showcasing the program's value to our business.

External Program Activities

As we develop relationships with new community-based organizations (CBOs) in conjunction with our local operations, we will attend their outreach events, mixers, and expos to encourage discourse regarding our initiatives.

We will work with our current primes in 2017 to identify new opportunities to grow their subcontracting programs. For new primes, we will focus on starting their program and clarifying the common misconceptions about supplier diversity. Additionally, to bring more opportunities, we will continue with the implementation of Tier II language in our RFPs.

We remain committed to capacity building in 2017 with the availability of our scholarship program, the continued support of [CWA]'s Mentor Protégé Program, and assistance of our current vendors in their certification efforts. We also plan to replicate our Tier II-to-Tier I success story and to continue partnering with our primes for further opportunities.

10.1.3 Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

To develop suppliers in under-utilized areas, we will:

- Work with our current suppliers to expand and compete in remote geographical areas.
- Survey new suppliers to determine their eligibility for certification and assist them through the process.
- Share our upcoming opportunities with the community-based organizations to keep their members informed of available projects and to encourage them to prepare and compete.
- Participate in workshops, outreach events, and roundtables to carry our message and identify new vendors unaware of the supplier diversity program.
- Strengthen partnerships with current CBOs and develop new ones with emerging groups to further communicate our supplier diversity initiatives.

10.1.4 Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

In 2017, we will continue sharing with CBOs those opportunities without available diverse suppliers to encourage their communities to incorporate entities and participate.

We will ask our current diverse suppliers to consider expanding their service offerings to compete in new areas. We will also advocate for manufacturers to open diverse distribution channels for their products and to make diverse contractors available for their services.

Finally, we will continue searching for suppliers that do not yet participate in our program, help them achieve certification, and encourage their competition for our projects.

10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

In 2017, we will work with our current primes to expand their existing programs, further leverage the diverse subcontracting language for our major initiatives, and bring our contractors to outreach events in their respective service locations.

10.1.6 Plans for Complying with Diverse Supplier Program Guidelines

Cal Water intends to comply with the Diverse Supplier program guidelines established by the CPUC as required by Public Utilities Section 8283(c). The CPUC Executive Director's Office will be responsible for developing, periodically refining, and recommending such guidelines for the CPUC's adoption in an appropriate procedural forum.

Cal Water will also continue to comply with the General Order 156 program guideline, participate in the CPUC's Supplier Diversity Forums and Workshops as requested, and work in partnership with the California Water Association and Joint Utilities to address the challenges faced by diverse suppliers in the procurement process.

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