

a culture of  
**INCLUSION**  
a record of  
**DIVERSITY**

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2017 Annual Report to the California  
Public Utilities Commission



CALIFORNIA  
AMERICAN WATER  
WE KEEP LIFE FLOWING™



## POLICY

California American Water recognizes the value of supplier diversity as a strategic business decision. We are committed to identifying diverse suppliers and offering them an opportunity to compete for materials and services contracts.



## VISION

We create opportunities – including education and mentorship – for diverse suppliers and strive to work with diverse suppliers who meet our high standards and work in our customers' best interests.



## MISSION

Our mission is to open business doors for diverse suppliers who otherwise would not have been knowledgeable of contract opportunities with California American Water. We are steadfast in our commitment to ensure that available contract opportunities are known and reviewed in an open and fair competitive business environment.

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*RICHARD SVINDLAND, President*

# PRESIDENT'S MESSAGE

A CULTURE OF INCLUSION.  
A RECORD OF DIVERSITY.

2017 was another great year for diversity and inclusion at California American Water, and the results show it. Our employees continue to make diversity a priority in purchasing, hiring, governance and community outreach, and we continue to become more ethnically and culturally diverse.

Once again, California American Water surpassed the CPUC diverse spend target of 21.5%. This success is not by chance. Our team takes an active role in pursuing new opportunities for diverse vendor relationships through a range of activities, including conducting internal and prime supplier training, participating in conferences and fairs that attract potential diverse suppliers, and mentoring our vendors. Through these efforts, we added 17 new diverse suppliers to our supply chain in 2017.

This report highlights the many achievements we have made this past year, embracing a culture of inclusion and continuing to improve our record of diversity. We look forward to continued diverse supplier relationships and all that they contribute to California American Water.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Svindland".

**RICHARD SVINDLAND**  
PRESIDENT





*EDWARD SIMON, Director of Business Performance & Supplier Diversity*

## MESSAGE FROM THE DIRECTOR OF SUPPLIER DIVERSITY

This year we achieved 30.08% spend with diverse vendors against the California Public Utilities Commission (CPUC) 21.5% target. These results could not have been achieved without the hard work and dedication of our local and functional team members throughout our company. Thanks to everyone at California American Water in procurement positions for engaging diverse suppliers in our procurement efforts. I would also like to thank our prime suppliers and diverse vendor community. Without your support of our efforts, our results would not have been possible.

We chose this year's theme, "A Culture of Inclusion, A Record of Diversity," because at California American Water, we are fully committed to diversity and inclusion. The testimonials you will see in the following pages demonstrate our commitment to a culture of inclusion. Since 2010, our record shows we have met or exceeded the California Public Utilities Commission (CPUC) goal, which speaks to a record of diversity.

Please know California American Water remains committed to engaging employees, suppliers, community-based organizations (CBOs), national and local diversity organizations, and customers in our efforts to improve our diversity results. We are not including diverse vendors to check a box or to meet numbers; we are including diverse vendors in our procurement processes because it is the right thing to do.

If you have any ideas you feel we should consider, please reach out to me at [Edward.Simon@amwater.com](mailto:Edward.Simon@amwater.com) or (619) 446-4764.

A handwritten signature in blue ink that reads "Edward A. Simon, II".

**EDWARD A SIMON, II**  
DIRECTOR OF BUSINESS PERFORMANCE AND  
SUPPLIER DIVERSITY



## MENTOR PROTÉGÉ TESTIMONIAL



### LYDEN ELECTRIC: Hispanic Woman-Owned MBE

Since becoming California American Water's Mentor Protégé in 2016, we have provided proactive and reactive maintenance, electrical installation, troubleshooting, and presentations for California American Water's Sacramento, Rosemead, Imperial Beach, and Ventura districts. Working hand in hand with California American Water, we have built strong business relationships and have gained trust in our workmanship and ability to deliver exceptional results.

California American Water has led us through the integration process of becoming a vendor and have made several resources and opportunities available to Lyden to assist in our company's strategic success. Doing business with California American Water has been instrumental in our growth as a small business. In addition, the experience and knowledge we have gained has developed into Lyden becoming electrical experts in the water utility industry. Lastly, Ed Simon, California American Water Director of Business Performance and Supplier Diversity, has provided exceptional mentorship throughout this program, through identifying opportunities, monthly conference calls, support through the Avetta process, follow-up and providing resources to help guide Lyden in our company's growth.

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## TESTIMONIAL



### VENTRESS CLICK VENTURES: African American, Woman-Owned MBE

Ventress Click Ventures (VCV) met Ed Simon, California American Water (CAW) Director of Business Performance and Supplier Diversity, at the 2015 National Minority Supplier Development Council Conference in San Diego. For the first year of our relationship, VCV spent valuable time learning and studying the water industry while building a relationship with California American Water staff.

Ed Simon personally coached VCV through the initial phases of new business ownership and start-up. Our leadership team has appreciated his passion and commitment to helping small businesses since day one.



In 2017, VCV was given the opportunity to develop and create training documents for California American Water that addressed General Order 156, a CPUC supervised volunteer utility program. In addition, VCV designed a training program for new hires in an effort to improve customer service throughout the state.

VCV is excited about the growth of our company while leveraging other opportunities in the water industry and remains committed to helping CAW improve their results for supplier diversity.

The relationship that has been established provided opportunities for a small, minority-owned management consulting company to collaborate with one of the nation's largest water companies, a privilege that is not taken for granted. VCV's goal is to build this partnership in a sustainable way for the long term.



## AQUEOUS VETS™: Disabled Veteran-Owned DVBE

Aqueous Vets™ (AV™) first met representatives of California American Water at a California Water Association diversity outreach event in San Jose in 2015. Since then, our relationship has flourished through internal referrals, follow-up meetings, technical discussions, project opportunities and execution. As a result, AV™, a DVBE/SB, established itself as a reliable and trusted diverse manufacturer and supplier. With the outreach efforts of California American Water, AV™ has enjoyed the access and success experienced to date.

Specifically, I want to thank Ed Simon, Director of Business Performance and Supplier Diversity for California American Water. Through Ed's introduction and support, AV™ competitively secured both large diameter Granular Activated Carbon Systems for the PFOA/PFOS removal project in Sacramento and a multi-vessel Ion Exchange System for the removal of Chrome 6 in Dunnigan. This resulted in approximately \$750,000 of DVBE spend for 2017.

Rob Crow, AV™'s Vice President of Business Development, stated, "Our experience working with California American Water has been nothing short of exceptional. Throughout the state's regions, California American Water's staff are ultimate professionals. AV™ is often consulted by California American Water or its design engineers to support future projects with technical input on design and constructability reviews. This collaborative effort between owner, engineer and supplier ensures that California American Water is well positioned to successfully execute projects while meeting corporate goals."



## TESTIMONIAL



### PREMIERE SOLUTIONS: African American-Owned MBE

Every year since 2010, our business with California and Hawaii American Water has grown due to the tremendous support of people in the districts throughout the states and leaders such as Brian Bruce, Gary Paquette and now Edward Simon. We are forever grateful for the faith and support received from Stacy Fulter who introduced us to California American Water, and for the continuous support of Rob MacLean.

**THOUGHTS ON WORKING WITH CALIFORNIA AMERICAN WATER:** Over the years, Premiere Solutions personnel have developed key relationships with operations managers in the respective districts around the state. These relationships have allowed us to uncover the specific fleet needs of each district and develop customized solutions to meet those needs. It really helps to have open lines of communication throughout the organization but especially with the leader, Ed Simon. Having the support of Ed allows us to continue to grow and expand the creative solutions we bring to the table.

It was because of Ed Simon's support that our small Minority Business Enterprise was allowed to engage in a conversation with their sister company, Illinois American Water. We ultimately, with the help of the corporate office, Dawn Gilbert and Holley Joy, have been able to expand our services to other states under the American Water umbrella.





## SECTION 9.1.1 - Internal and External Highlights and Activities

California American Water continued its efforts to promote and engage both internal and external stakeholders in 2017. The following provides our Internal and External Highlights and Activities including key internal and external meetings and outreach events in which California American Water participated in 2017. Meetings include communications, training, potential or existing vendor meetings, community-based organizations (CBOs), national and local diversity organizations, and those in partnership with California Water Association's (CWA) Utility Supplier Diversity Program (USDSP).



### 30.08% Diverse Spend

We are proud to have exceeded the CPUC diverse spend goal of 21.5% once again with a total diverse spend of 30.08% in 2017. As our program continues to mature, we hope to build and improve upon this result.



### 17 New Diverse Suppliers Added to Supply Chain

In 2017, we continued our outreach to identify new diverse suppliers that could provide goods and services to meet our needs. In 2016, we added 10 new diverse suppliers. We are pleased to report we added another 17 new diverse suppliers to our supply chain in 2017. Some of our new vendors include:

- NCS ENGINEERS: MBE - Asian engineering consulting firm
- FEAST ON THIS: LGBTBE - catering and event company
- EURO COFFEE: LGBTBE - coffee supply company
- HAL HAYS CONSTRUCTION INC.: MBE - Native American general contractor, design builder, and civil construction firm
- REED & DAVIDSON, LLP: LGBTBE - law firm
- BROWN LAW GROUP: WMBE - African American law firm



# 2017 HIGHLIGHTS

## 2017 Internal Activities

Monthly Outreach	California Water Association Utility Supplier Diversity meetings
	California American Water Supplier Diversity Council meetings
	Mentor Protégé Check-In meetings
Quarterly Outreach	California Joint Utilities meetings
Diverse Vendor Outreach	DVBE   Business Products Express meeting: expanding business statewide
	MBE - AFRICAN AMERICAN   Premiere Solutions meeting: expanding business to other states
	DVBE   S&S Tools and Supply meeting: enhancing business relationship
	DVBE   Hicks Professional Service meeting: new relationship discussion
	MBE - AFRICAN AMERICAN   Vobecky Enterprises meeting: new relationship discussion
	MBE - AFRICAN AMERICAN   Ventress Click Ventures meeting: new project discussion
	Tips to Presenting Your Capabilities to California American Water pre-meeting: showcase
	MBE - AFRICAN AMERICAN   FCI Management meeting: new relationship discussion
Additional Internal Meetings & Training Outreach	MONTEREY   Operations and Engineering meeting: Prime Suppliers
	CORPORATE   Supplier Diversity Strategy meetings
	American Water Respect & Dignity meeting: Embracing Diversity and Inclusion in the Workplace
	Annual General Order 156 and Diversity Training meeting: Management and Procurement Leads
	Annual Prime Supplier webinar: Awareness and Expectations



## 2017 External Activities

JANUARY	Business Matchmaking
FEBRUARY	WBEC - West Southern California Forum: Recognition of Impact Award (California American Water award recipient)
	California Black Chamber of Commerce Legislative Policy Luncheon
MARCH	National Center for American Indian Economic Development (NCAIED) RES Conference
	Women's Veterans Alliance
	Black Business Association (BBA) Women Conference and Vendor Fair
	DVBA SoCal Construction Expo
APRIL	Greenlining Meeting: Annual Report Review
	Greenlining's Economic Summit: Racial Justice on the Frontlines
MAY	CPUC Small Business Expo
	B2Gnow User Group Training: Supplier Clearinghouse System
	USPAACC (United States Pan Asian American Chamber of Commerce)
JUNE	California Water Association: Meeting-the-Primes Event
	TELACU: 2017 Annual Gala
JULY	Veterans in Business (VIB): Introduction Meeting
	Los Angeles Gay & Lesbian Chamber of Commerce: One-on-One Discussion
	DVBA: Cal Con Expo
	American Indian Chamber of Commerce: Expo
	National Center for American Indian Economic Development (NCAIED): One-on-One Discussion



# 2017 HIGHLIGHTS

## 2017 External Activities (cont.)

AUGUST	National Gay & Lesbian Chamber of Commerce (NGLCC): Conference
	California Black Chamber of Commerce: Ron Brown Business & Economics Summit
	California Hispanic Chamber of Commerce: National Conference
	BRG - Industry Cluster Roundtable Series: Utility, Telecom & Energy Sectors
	NGLCC Follow-Up Discussion: future partner and sponsorship
SEPTEMBER	NMSDC: SDG&E Matchmaking Event
	California American Water: Annual Supplier Diversity Showcase, Citrus Heights, CA
OCTOBER	CPUC: En Banc
	CPUC: Small Business Expo, Redding, CA
NOVEMBER	Veterans In Business: Conference



CALIFORNIA CONSTRUCTION EXPO - Anaheim, CA: From left to right, EMMA MAXEY (Golden State Water), ED SIMON (California American Water), TIM MACLAUGHLIN (San Jose Water), JACKIE GLOVER (San Gabriel Valley Water), DANNY RODRIGUEZ (Liberty Utilities), JOSE ESPINOZA (California Water)





## Enhanced California American Water Supplier Registration Portal and Database

In late 2016, we established a portal registration process that allows prospective suppliers to register with us. We also developed a database to track vendors we meet at outreach events. Both the registration portal and the database allow us to reach out to vendors to bid on projects and invite them to future sourcing events. In 2017, we are pleased to report 158 vendors registered of which 81 (51.3%) reported a minority status.



## Continued Community-Based Organization (CBO) Sponsorship and Increased Engagement

We met with several of our CBOs to discuss how we can increase our partnership to engage their members in our procurement processes, and to seek clarity on tangible member benefits. California American Water met with the California Black Chamber of Commerce and the Sacramento Rainbow Chamber of Commerce. In late 2017, we joined the Asian Business Association Advisory Board. In partnership with California Water Association, we met with the Los Angeles Gay & Lesbian Chamber of Commerce, the National Gay & Lesbian Chamber of Commerce, and the National Center for American Indian Economic Development.



## Increased Monitoring Prime Supplier Subcontractor Use

We send Tier Two report requests to our prime contractors every quarter to monitor their diverse subcontractor use. In late 2017, we started reviewing these reports and reaching out to primes to discuss their lack of return and/or their results. Our spend with diverse subcontractors increased from \$3 million in 2016 to \$9.3 million in 2017. A substantial amount of our spend was due to our Monterey Water Supply Project.



RICH SVINDLAND, President, HONORABLE GWEN MOORE (GO 156 Legislation Lead), and ED SIMON, Director of Business Performance and Supplier Diversity



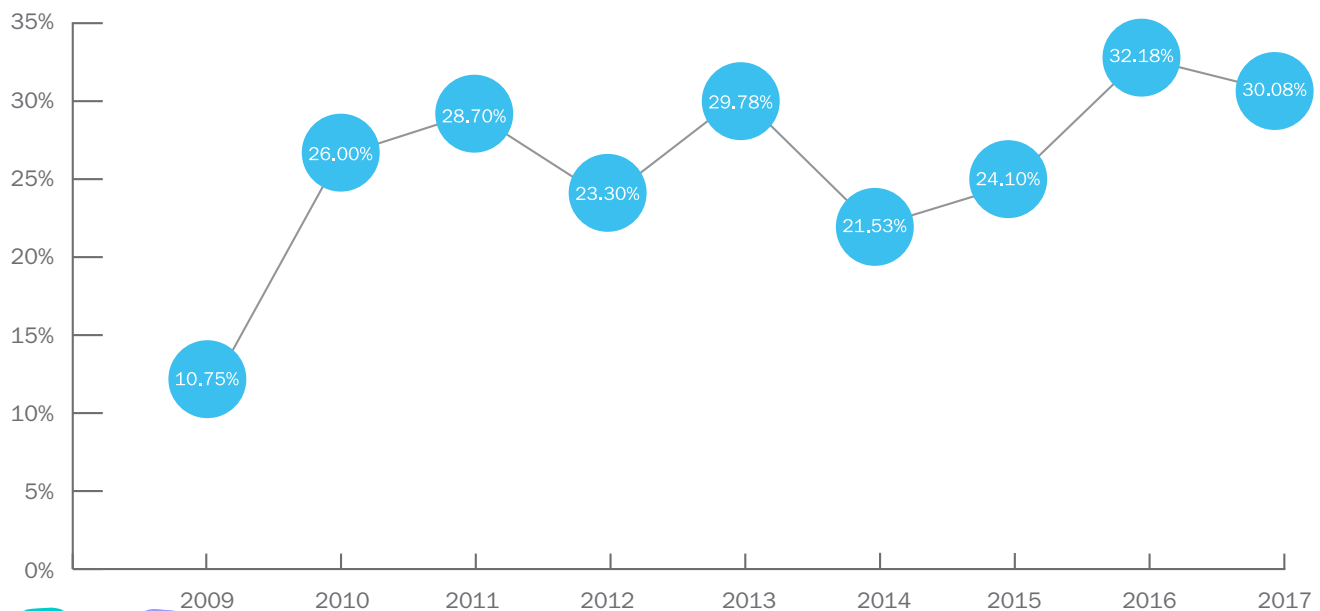


## Provided Sponsorship to CBOs

California American Water believes in supporting CBOs and working with them to bring new diverse vendors to our procurement practices. In 2017, we increased our support of CBOs by \$5,000 and provided support to the following organizations:

- DISABLED VETERANS BUSINESS ALLIANCE: \$2,000
- ELITE SERVICE-DISABLED VETERAN-OWNED BUSINESS NETWORK: \$2,000
- LOS ANGELES LGBT CHAMBER OF COMMERCE: \$2,500
- SACRAMENTO RAINBOW CHAMBER OF COMMERCE: \$2,500
- CALIFORNIA BLACK CHAMBER OF COMMERCE: \$4,000
- CALIFORNIA BLACK CHAMBER OF COMMERCE - RON BROWN SUMMIT: \$1,500
- BLACK BUSINESS ASSOCIATION (BBA) - PARKING SPONSORSHIP: \$650
- CALIFORNIA ASIAN CHAMBER OF COMMERCE: \$2,500
- ASIAN BUSINESS ASSOCIATION: \$2,000

## Year End Supplier Diversity Results





## Increased Technical and Capacity Building Efforts

In partnership with California Water Association (CWA) member companies, we held quarterly technical assistance and capacity building events: one in Los Angeles, two in the Bay Area, and one in San Diego.



## Annual Supplier Diversity Training

### COMPANY EMPLOYEES

Team members in procurement positions must attend this training annually. Participants include all levels of management and procurement team members. The agenda includes:

- Highlights from General Order (GO) 156
- Information on how prospective suppliers can become certified diverse suppliers
- A review of processes to engage the diversity team
- Suggestions and recommendations to engage local team members

### PRIME SUPPLIERS

New in 2017, Prime Suppliers were required to attend a session to discuss Prime Supplier Expectations Training. The session included:

- Highlights from GO 156
- Reporting requirements
- Maintenance of invoices and records for auditing purposes



## Reporting Enhancement Efforts

We completed our vendor clean-up project to ensure all have the correct Standard Industrial Classification (SIC) Codes. In partnership with our parent company American Water, we have selected a reporting vendor for an automated Tier One and Tier Two Reporting System.



## State Supplier Diversity Council

In 2015, we established a Supplier Diversity Council made up of functional leads from departments throughout the business. We continued this collaboration in 2017. The Council is led by the director of business performance and supplier diversity. Members include the functional leads from external affairs, operations, engineering, human resources, and supply chain. The Council meets monthly to discuss prior months' results and upcoming activities and to review procurement opportunities. This collaboration has proved beneficial in our efforts to improve our diverse culture as well as our spend results.





## Annual Supplier Diversity Showcase/Meet-the-Primes Event

On September 20, 2017, the California American Water Supplier Diversity Team held its annual outreach event focused on technical assistance and capacity-building in Citrus Heights, California.

- More than 50 new, diverse vendors and five prime suppliers were invited and registered for the event. 15+ California American Water functional leads from operations, engineering, legal, supply chain, human resources, and external affairs attended the event.
- Each vendor prepared a brief presentation that shared their capabilities and service territory. A two-minute question and answer period followed.
- “We wanted our decision makers and prime suppliers to hear directly from the new and existing diverse suppliers and allow them to ask the pertinent questions,” said Ed Simon, Director of Business Performance and Supplier Diversity. “We invested quite a bit of time analyzing our spend categories and current diverse vendors to ensure we invited the right people.”
- After the presentations, California American Water procurement decision makers and prime suppliers met one-on-one.
- The event included a networking session for diverse vendors and a program on how to do business with California American Water. Our Mentor Protégé, Lyden Electric, shared their experience and success they have had doing business with California American Water. Garney Pacific (prime supplier, Monterey Water Supply Project) shared what it takes to do business as a subcontractor.
- Ed Simon shared California American Water’s historic and current diversity results. Divisional operational and engineering leads educated the audience about California American Water service areas, products and services we procure, and upcoming projects.

ED SIMON (California American Water) meets with Bridgewater Consultants in a one-on-one meeting during the Annual Showcase Event.





## SECTION 9.1.2A – Summary of Purchases and/or Contracts By Ethnicity

<b>UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY ETHNICITY – 2017</b>					
	<b>Ethnicity</b>	<b>Direct \$</b>	<b>Sub \$</b>	<b>Total \$</b>	<b>%</b>
<b>MINORITY MALE</b>	Asian-Pacific	\$548,787	\$0	\$548,787	0.51%
	African American	\$2,009,913	\$355,525	\$2,365,438	2.20%
	Hispanic	\$4,727,571	\$34,286	\$4,761,857	4.44%
	Native American	\$2,544,179	\$0	\$2,544,179	2.37%
	<b>Total Minority Male</b>	<b>\$9,830,450</b>	<b>\$389,811</b>	<b>\$10,220,261</b>	<b>9.53%</b>
<b>MINORITY FEMALE</b>	Asian-Pacific	\$178,867	\$104,568	\$283,435	0.26%
	African American	\$71,335	\$0	\$71,335	0.07%
	Hispanic	\$114,567	\$110,219	\$224,786	0.21%
	Native American	\$0	\$0	\$0	0.00%
	<b>Total Minority Female</b>	<b>\$364,769</b>	<b>\$214,787</b>	<b>\$579,556</b>	<b>0.54%</b>
Total Minority Business Enterprise (MBE)		\$10,195,219	\$604,598	\$10,799,817	10.07%
Total Women Business Enterprise (WBE)		\$10,202,788	\$2,489,833	\$12,692,621	11.83%
Total Disabled Veteran Business Enterprise (DVBE)		\$682,496	\$6,310,809	\$6,993,305	6.52%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$1,787,961	\$0	\$1,787,961	1.67%
Total Other*		\$0	\$0	\$0	0.0%
<b>Total Business Enterprises (WMDVLGBTBE)</b>		<b>\$22,868,463</b>	<b>\$9,405,241</b>	<b>\$32,273,704</b>	<b>30.08%</b>
<b>Net Procurement**</b>		<b>\$107,286,095</b>			

**NOTE:** \*Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE

\*\*Net procurement includes purchase order, non-purchase order, and credit card dollars



# 2017 HIGHLIGHTS

## SECTION 9.1.2B – Summary of Purchases and/or Contracts By Products and Services (Direct)

### UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – DIRECT – 2017

	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
<b>MINORITY MALE</b>	Asian-Pacific	\$0	0.00%	\$548,787	0.51%	\$548,787	0.51%
	African American	\$1,800	0.00%	\$2,008,113	1.87%	\$2,009,913	1.87%
	Hispanic	\$7,027	0.01%	\$4,720,545	4.40%	\$4,727,571	4.41%
	Native American	\$0	0.00%	\$2,544,179	2.37%	\$2,544,179	2.37%
	<b>Total Minority Male</b>	<b>\$8,827</b>	<b>0.01%</b>	<b>\$9,821,624</b>	<b>9.15%</b>	<b>\$9,830,450</b>	<b>9.16%</b>
<b>MINORITY FEMALE</b>	Asian-Pacific	\$136,842	0.13%	\$42,025	0.04%	\$178,867	0.17%
	African American	\$24,243	0.02%	\$47,091	0.04%	\$71,335	0.07%
	Hispanic	\$5,367	0.01%	\$109,200	0.10%	\$114,567	0.11%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	<b>Total Minority Female</b>	<b>\$166,452</b>	<b>0.16%</b>	<b>\$198,317</b>	<b>0.18%</b>	<b>\$364,769</b>	<b>0.34%</b>
Total Minority Business Enterprise (MBE)	\$175,279	0.16%	\$10,019,940	9.34%	\$10,195,219	9.50%	
Total Women Business Enterprise (WBE)	\$360,408	0.34%	\$9,842,379	9.17%	\$10,202,788	9.51%	
Total Disabled Veteran Business Enterprise (DVBE)	\$44,321	0.04%	\$638,175	0.59%	\$682,496	0.64%	
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)	\$129	0.00%	\$1,787,832	1.67%	\$1,787,961	1.67%	
Total Other*	\$0	0.00%	\$0	0.00%	\$0	0.00%	
<b>Total Business Enterprises (WMDVLGBTBE)</b>	<b>\$580,137</b>	<b>0.54%</b>	<b>\$22,288,327</b>	<b>20.77%</b>	<b>\$22,868,463</b>	<b>21.32%</b>	
<b>Total Product Procurement</b>	<b>\$580,137</b>						
<b>Total Service Procurement</b>	<b>\$22,288,327</b>						
<b>Net Procurement – Direct Products &amp; Services</b>	<b>\$107,286,095</b>						
<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>	<b>97</b>						

**NOTE:** \*Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE  
\*\*Net procurement includes purchase order, non-purchase order, and credit card dollars



## SECTION 9.1.2C – Summary of Purchases and/or Contracts By Products and Services (Subcontractors)

UTILITY SUPPLIER DIVERSITY PROGRAM ANNUAL RESULTS BY PRODUCTS AND SERVICES – SUBCONTRACTORS – 2017							
MINORITY MALE	Ethnicity	Product		Services		Total	
		\$	%	\$	%	\$	%
	Asian-Pacific	\$0	0.00%	\$0	0.00%	\$0	0.00%
	African American	\$0	0.00%	\$355,525	0.33%	\$355,525	0.33%
	Hispanic	\$0	0.00%	\$34,286	0.03%	\$34,286	0.03%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	<b>Total Minority Male</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$389,811</b>	<b>0.36%</b>	<b>\$389,811</b>	<b>0.36%</b>
MINORITY FEMALE	Asian-Pacific	\$0	0.00%	\$104,568	0.10%	\$104,568	0.10%
	African American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic	\$0	0.00%	\$110,219	0.10%	\$110,219	0.10%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	<b>Total Minority Female</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$214,787</b>	<b>0.20%</b>	<b>\$214,787</b>	<b>0.20%</b>
Total Minority Business Enterprise (MBE)		\$0	0.00%	\$604,598	0.56%	\$604,598	0.56%
Total Women Business Enterprise (WBE)		\$0	0.00%	\$2,489,833	2.32%	\$2,489,833	2.32%
Total Disabled Veteran Business Enterprise (DVBE)		\$13,063	0.01%	\$6,297,746	5.87%	\$6,310,809	5.88%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Other*		\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Total Business Enterprises (WMDVLGBTBE)</b>		<b>\$13,063</b>	<b>0.01%</b>	<b>\$9,392,178</b>	<b>8.75%</b>	<b>\$9,405,241</b>	<b>8.77%</b>
<b>Total Product Procurement</b>		<b>\$13,063</b>					
<b>Total Service Procurement</b>		<b>\$9,392,178</b>					
<b>Net Procurement – Direct Products and Services</b>		<b>\$107,286,095</b>					

**NOTE:** \*Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE

\*\*Net procurement includes purchase order, non-purchase order, and credit card dollars



# 2017 HIGHLIGHTS

## SECTION 9.1.2D – Procurement

### WMDVLGBTBE Procurement: SIC Code Detail

SIC CODE	CATEGORY	ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
781	Horticulture Architectural Services	\$				\$130,023			
		%				0.12%			
1442	Construction Sand and Gravel	\$							
		%							
1521	General Contractors: Single-Family Houses	\$		\$392,626		\$937			
		%		0.37%		0.00%			
1541	General Contractors: Industrial Buildings and Warehouses	\$						\$2,003,828	
		%				0.00%		1.87%	
1542	General Contractors: Nonresidential Buildings	\$				\$41,245			
		%				0.04%			
1623	Water, Sewer and Pipelines	\$				\$2,182,897			
		%				2.03%			
1629	Heavy Construction, NEC	\$				\$3,921			
		%				0.00%			
1711	Plumbing, Heating and AC	\$							
		%							
1721	Painting and Paper Hanging	\$	\$314,091						
		%	0.29%						
1731	Electrical Work	\$				\$173,453	\$122,355		
		%				0.16%	0.11%		
1771	Concrete Work	\$				\$7,576			
		%				0.01%			
1791	Structural Steel Erection	\$					\$39,795		
		%					0.04%		
1795	Wrecking and Demolition Work	\$						\$540,351	
		%						0.50%	
1799	Special Trade Contractors, NEC	\$				\$67,004			
		%				0.06%			
2095	Roasted Coffee	\$							
		%							
2385	Waterproof Outerwear	\$				\$113			
		%				0.00%			
2521	Wood Office Furniture	\$							
		%							
2819	Industrial Inorganic Chemicals, NEC	\$							
		%							
3291	Abrasive Products	\$							
		%							
3531	Construction Machinery and Equipment	\$							
		%							
3537	Industrial Trucks, Tractors, Trailers and Stackers	\$							
		%							

# 2017 HIGHLIGHTS

SIC CODE	CATEGORY		TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	OTHER 8(a)**	TOTAL WMDVLGBTBE
781	Horticulture Architectural Services	\$	\$130,023					\$130,023
		%	0.12%					0.12%
1442	Construction Sand and Gravel	\$				\$598,358		\$598,358
		%				0.56%		0.56%
1521	General Contractors: Single-Family Houses	\$	\$393,563					\$393,563
		%	0.37%					0.37%
1541	General Contractors: Industrial Buildings and Warehouses	\$	\$2,003,828					\$2,003,828
		%	1.87%					1.87%
1542	General Contractors: Nonresidential Buildings	\$	\$41,245	\$77,484				\$118,728
		%	0.04%	0.07%				0.11%
1623	Water, Sewer and Pipelines	\$	\$2,182,897	\$2,923,499	\$1,406,461			\$6,512,857
		%	2.03%	2.72%	1.31%			6.07%
1629	Heavy Construction, NEC	\$	\$3,921	\$49,966				\$53,887
		%	0.00%	0.05%				0.05%
1711	Plumbing, Heating and AC	\$		\$629,055				\$629,055
		%		0.59%				0.59%
1721	Painting and Paper Hanging	\$	\$314,091					\$314,091
		%	0.29%					0.29%
1731	Electrical Work	\$	\$295,808					\$295,808
		%	0.28%					0.28%
1771	Concrete Work	\$	\$7,576					\$7,576
		%	0.01%					0.01%
1791	Structural Steel Erection	\$	\$39,795					\$39,795
		%	0.04%					0.04%
1795	Wrecking and Demolition Work	\$	\$540,351					\$540,351
		%	0.50%					0.50%
1799	Special Trade Contractors, NEC	\$	\$67,004	\$2,160				\$69,164
		%	0.06%	0.00%				0.06%
2095	Roasted Coffee	\$			\$129			\$129
		%			0.00%			0.00%
2385	Waterproof Outerwear	\$	\$113					\$113
		%	0.00%					0.00%
2521	Wood Office Furniture	\$		\$10,233				\$10,233
		%		0.01%				0.01%
2819	Industrial Inorganic Chemicals, NEC	\$		\$325,896		\$6,297,296		\$6,623,192
		%		0.30%		5.87%		6.17%
3291	Abrasive Products	\$		\$3,893				\$3,893
		%		0.00%				0.00%
3531	Construction Machinery and Equipment	\$				\$3,248		\$3,248
		%				0.00%		0.00%
3537	Industrial Trucks, Tractors, Trailers and Stackers	\$				\$1,800		\$1,800
		%				0.00%		0.00%

# 2017 HIGHLIGHTS

SIC CODE	CATEGORY	ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
3621	Motors and Generators	\$							
		%							
3669	Communications Equipment, NEC	\$							
		%							
3993	Signs and Advertising Specialties	\$							
		%							
4119	Employee Transportation	\$				\$29			
		%				0.00%			
4212	Local Trucking Without Storage	\$							
		%							
4619	Pipelines, NEC	\$				\$1,237,733			
		%				1.15%			
4941	Water Supply	\$	\$57,390						
		%	0.05%						
4952	Sewerage Systems	\$							
		%							
5039	Construction Materials, NEC	\$							
		%							
5047	Medical, Dental and Hospital Equipment & Supplies	\$		\$2,376					
		%		0.00%					
5084	Industrial Machinery and Equipment	\$		\$134,466					
		%		0.13%					
5088	Transportation Equipment and Supplies, Except Motor Vehicles	\$							
		%							
5093	Scrap and Waste Materials	\$	\$864						
		%	0.00%						
5112	Stationery and Office Supplies	\$							
		%							
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations & Terminals	\$				\$6,913			
		%				0.01%			
5199	Advertising Specialties Goods Distributors	\$			\$24,243				
		%			0.02%				
5211	Lumber and Other Building Materials Dealers	\$					\$5,367		
		%					0.01%		
5599	Automotive Dealers, NEC	\$		\$1,493,085					
		%		1.39%					
5812	Full-Service Restaurants	\$		\$355,525		\$1,745			
		%		0.33%		0.00%			
6531	Real Estate Agents and Brokers	\$							
		%							
7217	Carpet and Upholstery Cleaning	\$				\$62,800			
		%				0.06%			
7335	Commercial Photography	\$							
		%							

# 2017 HIGHLIGHTS

SIC CODE	CATEGORY	TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	OTHER 8(a)**	TOTAL WMDVLGBTBE
3621	Motors and Generators	\$	\$191,862				\$191,862
		%	0.18%				0.18%
3669	Communications Equipment, NEC	\$	\$540				\$540
		%	0.00%				0.00%
3993	Signs and Advertising Specialties	\$	\$938,267				\$938,267
		%	0.87%				0.87%
4119	Employee Transportation	\$	\$29				\$29
		%	0.00%				0.00%
4212	Local Trucking Without Storage	\$	\$1,407,485				\$1,407,485
		%	1.31%				1.31%
4619	Pipelines, NEC	\$	\$1,237,733				\$1,237,733
		%	1.15%				1.15%
4941	Water Supply	\$	\$57,390				\$57,390
		%	0.05%				0.05%
4952	Sewerage Systems	\$	\$14,779				\$14,779
		%	0.01%				0.01%
5039	Construction Materials, NEC	\$	\$6,770		\$13,063		\$19,833
		%	0.01%		0.01%		0.02%
5047	Medical, Dental and Hospital Equipment & Supplies	\$	\$2,376				\$2,376
		%	0.00%				0.00%
5084	Industrial Machinery and Equipment	\$	\$134,466	\$2,157			\$136,623
		%	0.13%	0.00%			0.13%
5088	Transportation Equipment and Supplies, Except Motor Vehicles	\$	\$605,480				\$605,480
		%	0.56%				0.56%
5093	Scrap and Waste Materials	\$	\$864				\$864
		%	0.00%				0.00%
5112	Stationery and Office Supplies	\$			\$42,520		\$42,520
		%			0.04%		0.04%
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations & Terminals	\$	\$6,913				\$6,913
		%	0.01%				0.01%
5199	Advertising Specialties Goods Distributors	\$	\$24,243				\$24,243
		%	0.02%				0.02%
5211	Lumber and Other Building Materials Dealers	\$	\$5,367				\$5,367
		%	0.01%				0.01%
5599	Automotive Dealers, NEC	\$	\$1,493,085				\$1,493,085
		%	1.39%				1.39%
5812	Full-Service Restaurants	\$	\$357,270	\$3,581	\$385		\$361,236
		%	0.33%	0.00%	0.00%		0.34%
6531	Real Estate Agents and Brokers	\$	\$40,590				\$40,590
		%	0.04%				0.04%
7217	Carpet and Upholstery Cleaning	\$	\$62,800				\$62,800
		%	0.06%				0.06%
7335	Commercial Photography	\$			\$450		\$450
		%			0.00%		0.00%

# 2017 HIGHLIGHTS

SIC CODE	CATEGORY	ASIAN-PACIFIC		AFRICAN AMERICAN		HISPANIC		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
7336	Commercial Art and Graphic Design	\$				\$5,000			
		%				0.00%			
7359	Equipment Rental and Leasing, NEC	\$							
		%							
7361	Employment Agencies	\$	\$68,408						
		%	0.06%						
7371	Computer Programming Services	\$		\$33,280					
		%		0.03%					
7372	Software Publishing	\$		\$1,800					
		%		0.00%					
7374	Computer Processing and Data Preparation & Processing Services	\$							
		%							
7389	Interior Design, Business Support Services	\$				\$56,333			
		%				0.05%			
7699	Repair Shops and Related Services, NEC	\$							
		%							
8111	Legal Services	\$	\$86,167		\$38,338				
		%	0.08%		0.04%				
8399	Environment, Conservation, and Wildlife Organizations	\$							
		%							
87	Engineering and Management Services	\$							
		%							
8711	Engineering Services	\$	\$84,275	\$42,750	\$42,489	\$191,148			
		%	0.08%	0.04%	0.04%	0.18%			
8712	Architectural Services	\$	\$6,000						
		%	0.01%						
8713	Surveying Services	\$				\$3,300			
		%				0.00%			
8721	Accounting, Auditing and Bookkeeping Services	\$				\$58,905			
		%				0.05%			
8741	Construction Management Services	\$				\$464,804			
		%				0.43%			
8742	Management Consulting Services	\$	\$35,435	\$46,632		\$44,244			
		%	0.03%	0.04%		0.04%			
8743	Public Relations Services	\$							
		%							
8748	Business Consulting Services, NEC	\$			\$8,753	\$79,003			
		%			0.01%	0.07%			
8999	Services, NEC	\$							
		%							
<b>TOTAL</b>		\$	\$548,787	\$283,435	\$2,365,438	\$71,335	\$4,761,857	\$224,786	\$2,544,179
		%	0.51%	0.26%	2.20%	0.07%	4.44%	0.21%	2.37%

<b>Total Product Procurement</b>	<b>\$593,199</b>
<b>Total Service Procurement</b>	<b>\$31,680,505</b>
<b>Net Procurement***</b>	<b>\$107,286,095</b>



# 2017 HIGHLIGHTS

SIC CODE	CATEGORY		TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	OTHER 8(a)**	TOTAL WMDVLGBTBE
7336	Commercial Art and Graphic Design	\$	\$5,000					\$5,000
		%	0.00%					0.00%
7359	Equipment Rental and Leasing, NEC	\$		\$2,484				\$2,484
		%		0.00%				0.00%
7361	Employment Agencies	\$	\$68,408	\$80,781				\$149,190
		%	0.06%	0.08%				0.14%
7371	Computer Programming Services	\$	\$33,280					\$33,280
		%	0.03%					0.03%
7372	Software Publishing	\$	\$1,800					\$1,800
		%	0.00%					0.00%
7374	Computer Processing and Data Preparation & Processing Services	\$		\$60,072				\$60,072
		%		0.06%				0.06%
7389	Interior Design, Business Support Services	\$	\$56,333					\$56,333
		%	0.05%					0.05%
7699	Repair Shops and Related Services, NEC	\$		\$78,251				\$78,251
		%		0.07%				0.07%
8111	Legal Services	\$	\$124,505		\$9,074			\$133,580
		%	0.12%		0.01%			0.12%
8399	Environment, Conservation, and Wildlife Organizations	\$				\$36,570		\$36,570
		%				0.03%		0.03%
87	Engineering and Management Services	\$			\$13,445			\$13,445
		%			0.01%			0.01%
8711	Engineering Services	\$	\$360,663	\$1,391,787				\$1,752,450
		%	0.34%	1.30%				1.63%
8712	Architectural Services	\$	\$6,000					\$6,000
		%	0.01%					0.01%
8713	Surveying Services	\$	\$3,300	\$264,611				\$267,911
		%	0.00%	0.25%				0.25%
8721	Accounting, Auditing and Bookkeeping Services	\$	\$58,905					\$58,905
		%	0.05%					0.05%
8741	Construction Management Services	\$	\$464,804	\$2,683,398				\$3,148,202
		%	0.43%	2.50%				2.93%
8742	Management Consulting Services	\$	\$126,311	\$566,218				\$692,529
		%	0.12%	0.53%				0.65%
8743	Public Relations Services	\$			\$180,000			\$180,000
		%			0.17%			0.17%
8748	Business Consulting Services, NEC	\$	\$87,756		\$178,467			\$266,223
		%	0.08%		0.17%			0.25%
8999	Services, NEC	\$		\$331,324				\$331,324
		%		0.31%				0.31%
<b>TOTAL</b>		\$	<b>\$10,799,817</b>	<b>\$12,692,621</b>	<b>\$1,787,961</b>	<b>\$6,993,305</b>	<b>\$0</b>	<b>\$32,273,704</b>
		%	<b>10.07%</b>	<b>11.83%</b>	<b>1.67%</b>	<b>6.52%</b>	<b>0.00%</b>	<b>30.08%</b>

NOTE: \*Firms with multi-minority ownership status

\*\*Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE

\*\*\*Net procurement includes purchase order, non-purchase order, and credit card dollars

\$: Total procurement dollar amount in the specific SIC category

?: Percentage of total dollars

# 2017 HIGHLIGHTS

## SECTION 9.1.2E – Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse and California American Water

Data on Number of Suppliers   Revenue Reported to CHS							
# WMDVLGBTBEs	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	8	11	4	3	0	0	26
\$1 million < \$2.5 million	7	7	3	2	0	0	19
\$2.5 million < \$5 million	5	12	2	0	0	0	19
\$5 million < \$10 million	6	9	3	1	0	0	19
\$10 million+	13	5	2	1	0	0	21
No Revenue Designation	0	0	0	0	8	0	8
<b>TOTAL</b>	<b>39</b>	<b>44</b>	<b>14</b>	<b>7</b>	<b>8</b>	<b>0</b>	<b>112</b>

Revenue and Payment Data   Revenue Reported to CHS							
WMDVLGBTBE \$M	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$11,161,181	\$5,482,147	\$1,310,264	\$1,296,830	\$0	\$0	\$19,250,422
\$1 million < \$2.5 million	\$10,281,074	\$10,232,532	\$3,202,420	\$4,294,000	\$0	\$0	\$28,010,026
\$2.5 million < \$5 million	\$19,005,622	\$47,763,290	\$6,338,755	\$0	\$0	\$0	\$73,107,667
\$5 million < \$10 million	\$56,106,495	\$64,883,577	\$23,948,316	\$9,264,955	\$0	\$0	\$154,203,343
\$10 million+	\$730,961,133	\$3,851,847,373	\$173,167,128	\$12,000,000	\$0	\$0	\$4,767,975,634
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$827,515,505</b>	<b>\$3,980,208,919</b>	<b>\$207,966,883</b>	<b>\$26,855,785</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,042,547,092</b>



## Data on Number of Suppliers | California American Water 2017 Summary

# WMDVLGBTBEs	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	35	41	14	6	7	0	103
\$1 million < \$2.5 million	4	2	0	1	0	0	7
\$2.5 million < \$5 million	0	1	0	0	0	0	1
\$5 million < \$10 million	0	0	0	0	1	0	1
\$10 million+	0	0	0	0	0	0	0
No Revenue Designation	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>39</b>	<b>44</b>	<b>14</b>	<b>7</b>	<b>8</b>	<b>0</b>	<b>112</b>

## Revenue and Payment Data | California American 2017 Summary

WMDVLGBTBE \$M	MBE	WBE	WMBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
< \$1 million	\$3,302,719	\$6,021,723	\$579,556	\$381,500	\$696,009	\$0	\$10,981,507
\$1 million < \$2.5 million	\$6,917,542	\$3,747,399	\$0	\$1,406,461	\$0	\$0	\$12,071,402
\$2.5 million < \$5 million	\$0	\$2,923,499	\$0	\$0	\$0	\$0	\$2,923,499
\$5 million < \$10 million	\$0	\$0	\$0	\$0	\$6,297,296	\$0	\$6,297,296
\$10 million+	\$0	\$0	\$0	\$0	\$0	\$0	\$0
No Revenue Designation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$10,220,261</b>	<b>\$12,692,621</b>	<b>\$579,556</b>	<b>\$1,787,961</b>	<b>\$6,993,305.05</b>	<b>\$0</b>	<b>\$32,273,704</b>



## SECTION 9.1.2F – Description of Workforce

In 2017, California American Water engaged and had spend (directly or through use of subcontractors) with 112 diverse suppliers. Of the 112 vendors, 105 listed their physical address with the Supplier Clearinghouse as California. The 105 vendors indicated they employed a total of 11,503 employees.

## SECTION 9.1.3 – WMDVLGBTBE Program Expenses

EXPENSE CATEGORY	AMOUNT
Wages	\$133,950.00
Other Employee Expenses	\$32,217.36
Program Expenses	\$17,396.91
Reporting Expenses	\$8,268.07
Training	\$4,182.20
Consultants	\$2,983.40
Other	\$18,909.52
<b>TOTAL</b>	<b>\$217,907.46</b>



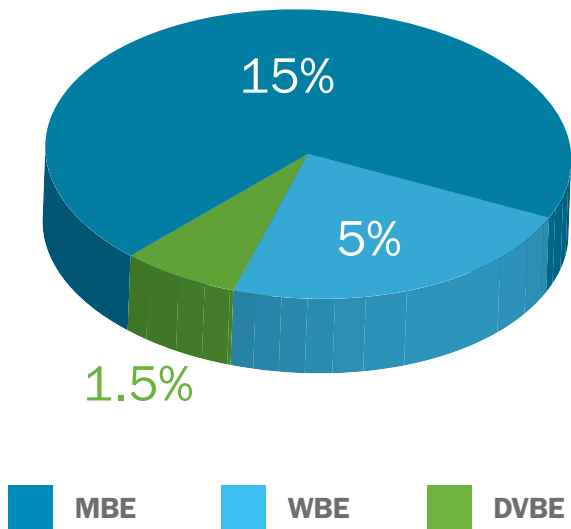
## SECTION 9.1.4A – Description of Progress in Meeting or Exceeding Set Goals

California American Water consistently sets goals in excess of the CPUC’s 21.5%. In 2017, our internal goal was 27.5% and we exceeded it, finishing the year at 30.08%. We exceeded the CPUC goal for Women Business Enterprises (WBE), achieving 11.83% against a goal of 5%. We exceeded the Disabled Veteran Business Enterprise (DVBE), achieving 6.52% against a goal of 1.50%. We did not meet the Minority Business Enterprise (MBE) goal of 15%; we achieved 10.07%. Although there has not been a target established for LGBTBE, we finished the year at 1.67%. Our overall success can be attributed to the activities included in section 9.1.1 Internal and External Highlights and Activities. From our president and parent company, to our functional departmental leads and frontline employees, we are all committed to supplier diversity.

## SECTION 9.1.4B – WMDVLGBTBE Results and Goals

### WMDVLGBTBE 2017 Goals

Amounts add up to the diverse spend goal of 21.5%

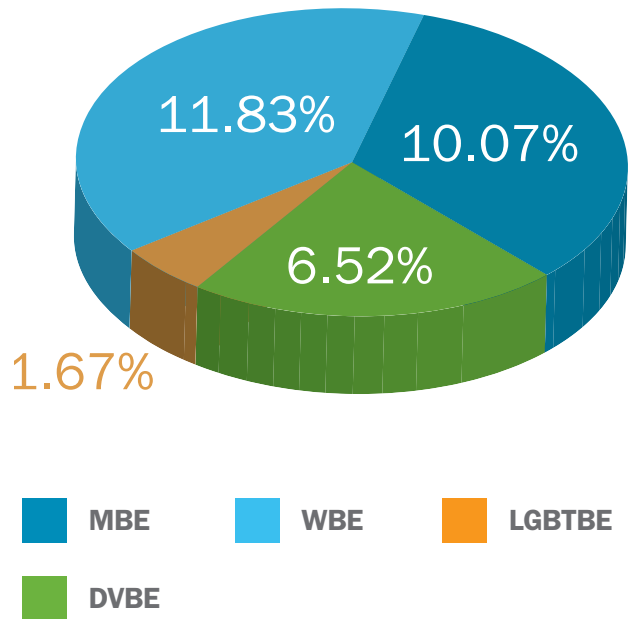


Legend: MBE (Dark Blue), WBE (Light Blue), DVBE (Green)

#: Percentage of Net Procurement

### WMDVLGBTBE 2017 Results

Amounts add up to the actual diverse spend of 30.08%



Legend: MBE (Dark Blue), WBE (Light Blue), LGBTBE (Orange), DVBE (Green)



# 2017 HIGHLIGHTS

## SECTION 9.1.5A – Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

We are pleased to report our contractor's use of subcontractors increased in 2017. In 2016, prime contractors use of diverse subcontractors totaled \$3 million in diverse spend. In 2017, our prime contractor use of diverse subcontractors totaled \$9.4 million with 21 vendors.

## SECTION 9.1.5B – Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDV-LGBTBE
<b>Direct \$</b>	\$9,830,450	\$364,769	\$10,195,219	\$10,202,788	\$1,787,961	\$682,496	\$0	\$22,868,463
<b>Subcontracting \$</b>	\$389,811	\$214,787	\$604,598	\$2,489,833	\$0	\$6,310,809	\$0	\$9,405,241
<b>Total</b>	<b>\$10,220,261</b>	<b>\$579,556</b>	<b>\$10,799,817</b>	<b>\$12,692,621</b>	<b>\$1,787,961</b>	<b>\$6,993,305</b>	<b>\$0</b>	<b>\$32,273,704</b>
<b>Direct %</b>	9.16%	0.34%	9.50%	9.51%	1.67%	0.64%	0.00%	21.32%
<b>Subcontracting %</b>	0.36%	0.20%	0.56%	2.32%	0.00%	5.88%	0.00%	8.77%
<b>Total %</b>	<b>9.53%</b>	<b>0.54%</b>	<b>10.07%</b>	<b>11.83%</b>	<b>1.67%</b>	<b>6.52%</b>	<b>0.00%</b>	<b>30.08%</b>

<b>Net Procurement**</b>	<b>\$107,286,095</b>
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**NOTE:** \*Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE  
 \*\*Net procurement includes purchase order, non-purchase order, and credit card dollars  
 %: Percentage of total net procurement



## SECTION 9.1.6 – A List of WMDVLGBTBE Complaints Received and Current Status

California American Water did not receive any complaints from diverse suppliers in 2017.

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

Table 9.1.2 clearly identifies where we have underutilized diverse vendors in areas including legal, finance, and computer related services. We will focus our efforts on increasing spend in these areas in 2018 and beyond. We will continue to engage our CBOs in our efforts to search for suppliers to meet our needs. We will also encourage our prime suppliers to use diverse subcontractors through our Annual Prime Supplier and Procurement Lead Showcase and our California Water Association Meet-the-Primes events.

## SECTION 9.1.8 – Description of Excluded Categories

Categories excluded from our gross procurement include purchased water, purchased power, pump taxes, all taxes, franchise fees, postage, all other non-sourceable categories, and affiliate transaction expenses.



**California American Water employees** Eric Rojas, Foreman; Karen Wilhelm, Water Conservation Specialist; Spencer Philips, Sr., Engineering Technician



## SECTION 10.1.1 – WMDVLGBTBE Annual Short-, Mid-, and Long-Term Goals by Product and Services Categories

California American Water and other California Water Association Utilities find it difficult to complete a more detailed chart identifying needs for products and services as these needs differ yearly due to agreed upon CPUC capital projects and spending, which are approved every three years based on our general rate case cycle. We are in an ever-changing regulatory environment and have to balance our needs and procurement activities with those of our customers in an effort to keep our rates low. California American Water will strive to improve our results noted below.

**MBE FOCUS:** We will focus our efforts on meeting the MBE overall goal of 15% with greater emphasis on increasing spend with Asian Pacific American, African American, and Native American, while holding steady or slightly increasing our spend with Hispanic American MBEs.

**WBE FOCUS:** We have consistently exceeded our current 5% spend goal with WBEs, reaching double digits several years in a row.

**LGBTBE AND DVBE FOCUS:** We will continue our efforts to work with WBEs while shifting some of this spend to the MBEs (ethnicities mentioned previously), LGBTBEs, and DVBEs where our spend has been considerably low. We are pleased to report in 2017 we exceeded the DVBE spend, achieving 6.52% against a target of 1.50%.

CATEGORY	Current CPUC Goal	Short-Term Goals (2017–2018)	Mid-Term Goals (2019–2021)	Long-Term Goals (2022–2024)
<b>Minority Men</b>				
<b>Minority Women</b>				
<b>Minority Business Enterprises (MBE)</b>	15%	15.00%	15.00%	15.00%
<b>Women Business Enterprises (WBE)</b>	5%	5.00%	7.00%	8.00%
<b>Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBE)</b>	0	2.00%	4.00%	5.00%
<b>Disabled Veteran Business Enterprises (DVBE)</b>	1.50%	3.00%	4.00%	5.00%
<b>TOTAL</b>	<b>21.50%</b>	<b>25.00%</b>	<b>30.00%</b>	<b>33.00%</b>





## SECTION 10.1.2 – Description of WMDVLGBTBE Planned Program Activities for 2018

Our program, as noted in our historical results, continues to mature. We will continue our efforts to improve our spend with the MBE (in particular African American, Asian American, and Native American), LGBTE, and DVBE communities. We will put forth every effort to accomplish the following in 2018:



### **CONTINUE COMMUNITY-BASED SPONSORSHIP AND INCREASE ENGAGEMENT:**

We will ask our CBOs and Advocacy Groups to increase their assist with our search for diverse suppliers by providing all with notification of RFPs and encouraging their qualified members to bid on projects within their field of expertise. Ed Simon will remain on the Asian Business Association Advisory Board and will seek board positions on other CBOs. We will continue our partnership with the National Center for American Indian Economic Development (NCAIED), increase discussions with American Indian Chamber of Commerce, and African American, local LGBTE, and DVBE groups in an effort to increase spend in with their members. We will also continue to ask the Council for Supplier Diversity to search for diverse vendors.



**ECONOMIC IMPACT ANALYSIS:** We reviewed available vendors to assist with this analysis in 2017. In 2018, through our new reporting vendor system or another source, California American Water will have an economic study on its 2017 results completed by no later than Q3 2018.



**INCREASE MONITORING PRIME CONTRACTOR USE OF SUBCONTRACTORS:** We will increase monitoring of prime supplier use of diverse subcontractors and offer assistance when prime contractors are not meeting their commitment to diversity. Quarterly, we will review responses to Tier Two Reporting Requests and engage in discussions with primes.



**INCREASE TECHNICAL AND CAPACITY BUILDING ASSISTANCE:** Working with the California Water Association (CWA) member companies and other joint utilities, we will continue to participate (providing financial support and resources) in various programs and workshops to educate existing and prospective vendors on the water industry and the skills small businesses need to be successful.



**REPORTING EFFICIENCY:** Working with our parent company, American Water, we will implement a new Tier One and Tier Two Reporting System which will automate monthly (internal) and annual (external) reporting requirements.



## SECTION 10.1.2 – Description of WMDVLGBTBE Planned Program Activities for 2018 (cont.)



**ENHANCE SUPPLIER DIVERSITY SECTION OF OUR WEBSITE:** We will provide additional information about certification processes including W-9 and pre-qualification forms.



**ANNUAL SUPPLIER DIVERSITY SHOWCASE:** We will coordinate our annual Supplier Diversity Showcase no later than mid-year to increase likelihood of our showcase efforts with primes and local procurement leads influencing our 2018 results. We will use the same format as last year and encourage more CBO member participation.



**COMPLETE AGREED UPON MASTER SERVICE AGREEMENT WITH DIVERSE PRIMES:** To increase use of diverse primes, we will complete agreed upon master service agreements to allow them to work throughout our service areas.

## SECTION 10.1.3 – Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

We will increase our efforts to reach out to diverse suppliers in low-utilization areas including finance, technical, and legal in particular. We will utilize the CBOs and advocacy groups to help in our recruitment efforts.

## SECTION 10.1.4 – Plans for Recruiting Suppliers Where Unavailable

We will continue our efforts to recruit suppliers for all products and services except those listed in the exclusion section of the report.



## SECTION 10.1.5 – Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

As noted in Section 9.1.5, we believe requiring our prime contractors to report their Tier Two spend quarterly, along with reviewing and monitoring results throughout the year, will provide the primes and California American Water with opportunities to work together to identify ways to increase subcontractor engagement and spending.

## SECTION 10.1.6 – Plans for Complying with WMDVLGBTBE Program Guidelines

California American Water is committed to meeting all Supplier Diversity Program compliance areas set both internally and by the California Public Utilities Commission. We continue to hold ourselves accountable to the highest level of integrity as we create and develop administrative processes that will assure prospective diverse suppliers a fair and equitable inclusion in their pursuit of contract opportunities. We are confident this will ensure the best quality products and services to the communities we serve.



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