

Quality. Service. Value.®



California Water Service 2018 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

Providing quality, service, and value to our customers, communities, employees, and stockholders is our unwavering promise, and we accomplish this through numerous operating priorities. One of these key priorities is to engage and do business with diverse suppliers through our Supplier Diversity Program. We benefit our customers when utilizing vendors who compete for our business and provide the best quality goods and services at the best prices. We support our communities by adding local vendors to our supplier pool. We also help employees seeking qualified suppliers, all of which helps us use our resources efficiently and provides value to our stockholders.

I'm pleased with our achievements made through our Supplier Diversity Program in 2018, some of which included:

- An increase of \$6.38 million in spending over 2017 with diverse suppliers to \$48.61 million
- About \$1.7 million in additional business with Asian/Pacific-American firms to \$7.3 million, \$10.3 million more with Hispanic-American businesses to \$29.1 million, and more than doubling our spending with Native-American companies to \$1.5 million
- Continued growth with LGBT business enterprises, with our spending increasing from 0.05% to 0.08%, and doubling the number of such firms from two to four
- Increased engagement in outreach events beyond our Program Manager, including our Director of Environmental Affairs as a featured speaker for the Industry Council for Small Business Development, our Chief Procurement Officer as a speaker at the Women's Business Enterprise Council Pacific BOLD Success Conference, and 77 employees attending 30 events across the state
- Recognition by the Rainbow Chamber of Commerce Silicon Valley at the regional level, and by the U.S. Veterans Business Alliance, American Water Works Association, and Veterans in Business Network at the national level

This report details these and other efforts made in our Supplier Diversity Program in 2018, including accomplishments, profiles of some diverse vendors we worked with, challenges we faced, and opportunities we have in 2019. We look forward to continuing these efforts and growing this important program, as we always continue to improve the quality of life in the communities we serve.



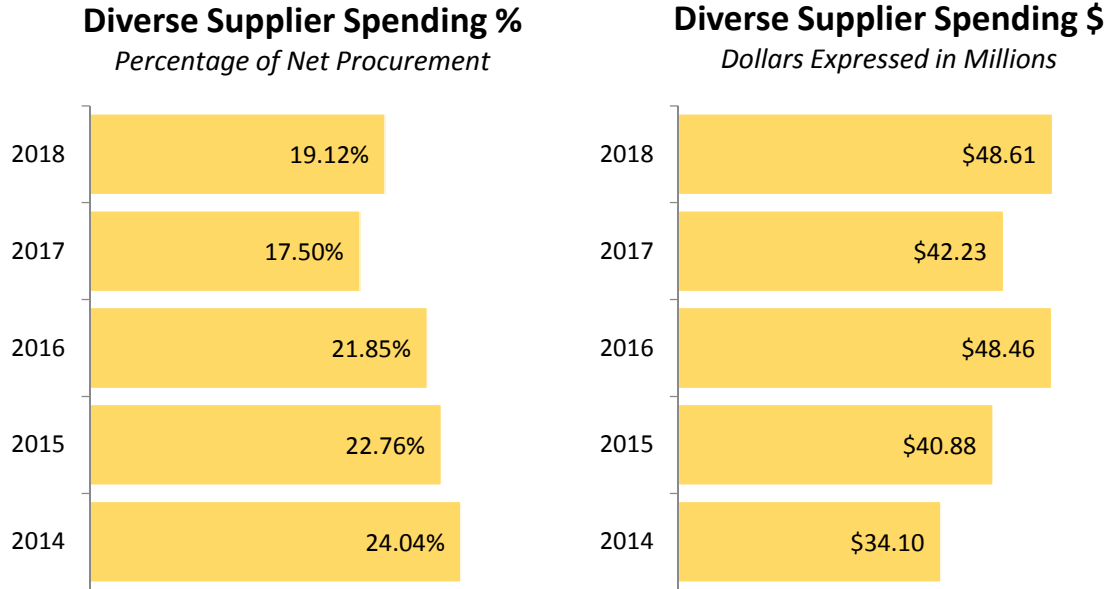
Martin A. Kropelnicki



SUMMARY OF 2018 SUPPLIER DIVERSITY PROGRAM

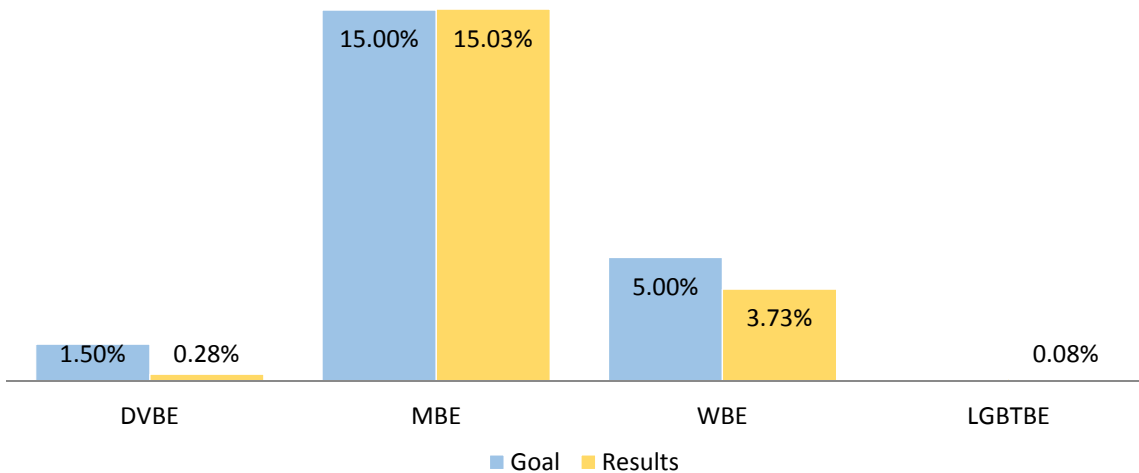
This report outlines the progress of California Water Service (Cal Water) in procuring goods and services from woman-(WBE), minority-(MBE), disabled-veteran-(DVBE), lesbian-, gay-, bisexual-, and transgender-(LGBTBE) owned business enterprises (to which we refer collectively as diverse suppliers) for the period of January 1, 2018, through December 31, 2018.

In 2018, Cal Water’s discretionary spending totaled \$254,246,384.37, of which the company spent \$48.61M, or 19.12%, with diverse suppliers.



Our results per category are:

Results per Category



9.1.1 Description of WMDVLGBTBE Program Activities

In terms of supplier diversity, 2018 proved to be a challenging and rewarding year for California Water Service.

Internal Program Activities

Procurement Policy

Through our procurement policy, we continue making progress integrating diverse suppliers into our supply chain. This policy supports both small and large projects.

To that end, we invited multiple diverse suppliers to participate in our Master Contract (MC) Request for Proposal (RFP) in 2018. This RFP process evaluates suppliers in many areas: corporate structure, financial strength, safety record, and environmental practices, among others.

Some of our 2018 success stories include:

The winning proposal for media buying and consultation services by **Cal Pacific Marketing Group (WBE: 13050041)**. These services will support Cal Water's strategic marketing activities designed to increase visibility and awareness of the value of water and water-use efficiency. We're glad to count on their expertise to communicate with our communities.



Water Systems Consulting (MBE: 91S00088) competitively bid an engineering and construction-phase services contract for a critical multimillion-dollar booster station project in Southern California. This station was built in 1974, and its upgrade will increase capacity, improve reliability, and water service delivery for our community. This project entails three (3) distinct construction phases, each with its own complexities. We count with Water Systems Consulting's team of six (6) Professional Engineers to coordinate, and advise onsite field engineering staff for the successful completion of this upgrade.

Castle Electric and Builders, Inc. DBA Lyden Electric (WMBE: 14090099), a full-service electrical contractor, submitted the winning proposal to install Supervisory Control and Data Acquisition (SCADA) controls and a Remote Terminal Unit (RTU) at one of our pump stations. The project entailed installing enclosures and rewiring the controls. Lyden Electric is a prime example of our procurement policy creating opportunities for new diverse suppliers.



Osceola Consulting LLC (MBE: 7GN00035) continues providing top consultants to help us manage our most complex projects. One of their projects entailed working with our cross-functional drought response team to manage the needs of our conservation program across: water supply and demand operations, community relations, customer service, conservation, and communications. Their team implemented Drought Success Dashboards to show progress against key metrics. Furthermore, they provided many tools throughout the program: resource modeling, surcharge analysis, and cost recovery.

Enterprise Signal Inc. dba KloudGin (MBE: 15060340) remains an integral contributor to our operations. Our engagement began in 2014, when they submitted a winning proposal to develop a mobile-work-order management system. Through the system we're able to leverage the latest cloud, mobile, artificial intelligence, and big-data technologies to process over 200,000 work orders annually, providing timely customer service, collecting water quality samples, and maintaining company assets. Their solution provides our employees with an intuitive mobile experience and intelligent route-work optimization based on past performance and predetermined business criteria.



In 2018, we engaged them to integrate our asset management and preventive maintenance efforts through the same system. The system, once implemented, will provide critical asset information to our personnel, ensuring our infrastructure assets remain operational across our service areas.



In 2018, we also welcomed **Pari & Gershon, Inc. (WBE: 14050073)** to our operations through our Environmental Department. We achieved this success story through our partnership with the San Jose Minority Business Development Agency.

San Jose MBDA Business Center's Client Scores a Win with Cal Water Service

The collaborative relationship between San Jose Minority Business Development Agency (MBDA) Business Center and Cal Water Service continues to bear success.

PGI Inc. (PGI), an environmental consulting company, scored its first win with the San Jose-based water company after three (3) years of active pursuit. Citing the process to be somewhat challenging, Romena Jonas, principal of PGI, credits the advocacy services by San Jose MBDA Business Center and Jose Espinoza (Supplier Diversity Program Manager of Cal Water Service) to play a pivotal role.



"The only reason PGI was able to secure a contract with Cal Water Service was San Jose MBDA Business Center, specifically Siew Yee Lee who introduced me to Mr. Espinoza. He made sure PGI was properly introduced to the key people at Cal Water Service. Once that was done, we were asked to submit a proposal for Environmental Consulting Services. We were selected within a week of submittal and were awarded a blanket purchase order," Ms. Jonas said. She added that after the award, Mr. Espinoza arranged for PGI to meet with the Director of Environmental Affairs. As a result of that meeting, PGI was awarded several purchase orders.

Mr. Espinoza credits PGI's success in Cal Water Service's procurement policy in support of diverse suppliers, as well as the M/WBE's stellar past performance.

"Suppliers coming from MBDA have previous experience and are experts in their field. Furthermore, MBDA has an understanding of our available opportunities," Mr. Espinoza added.

San Jose MBDA Business Center is operated by San Francisco-based Asian, Inc.

Full Article ([link](#))

Part of our 2018 efforts included reviewing a list of qualified diverse suppliers for our engineers managing construction-related projects. We also expanded this list by including more than 150 non-construction diverse suppliers in fields like fuel delivery, staffing, erosion control, etc. We use this list to further increase visibility of those suppliers.

Internal Communications

We constantly work to ensure our program remains visible within our organization.

In 2018, we featured many articles on our corporate intranet. These articles included supplier success stories, legislative updates, and other program accomplishments.



Similarly, taking a page from 2017, we identified over 50 diverse suppliers we engaged through small acquisitions (e.g., corporate procurement card) and gave them added visibility to our associates through 83 individual e-mail notices. We believe small acquisitions are a proven path to larger-scale projects for diverse suppliers.

External Program Activities

External Outreach

Outreach continues to play an integral role on our program as an outlet to communicate our opportunities.

Jan

- AICOC Planning Committee; WebEx
- Anvil Builders Reception; San Jose
- CWA Board Meeting; San Francisco
- Monthly NGLCC Affiliate Chamber Council Call; WebEx
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Holiday Luncheon; Santa Clara
- USDP Monthly Meeting; San Jose
- WRMSDC Corporate Training Committee; WebEx

Feb

- Bay Area Business Round Table; Oakland
- California Black Chamber of Commerce: Annual Legislative Reception & Policy Luncheon; Sacramento
- CWA Board Meeting; San Jose
- ICSBD Monthly Luncheon; San Jose
- Monthly NGLCC Affiliate Chamber Council Call; WebEx
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Monthly Mixer; San Jose
- USDP Monthly Meeting; San Diego
- VIB Network, Veteran Information Partnership; Webinar

Mar

- California Hispanic Chamber Economic Summit; San Jose
- California Utility Roundtable and Luncheon on Supplier Diversity; San Francisco
- CWA Board Meeting; Sacramento
- ICSBD Monthly Luncheon; San Jose
- Joint Utilities Quarterly Meeting; San Francisco
- Military Leaders Hiring Event; Las Vegas, NV
- Rainbow Chamber Board Meeting; Campbell
- Sourcing Industry Group Global Executive Summit; Washington, D.C.
- USDP Monthly Meeting; San Francisco
- WBA LGBT Economic Summit & Conference; San Francisco
- WRMSDC Best Practices Corporate Lunch & Learn; Oakland

Apr

- 20th Annual Latino Leaders Forum; Sacramento
- CPUC Small Business Expo; Long Beach
- CWA Meet the Primes; Long Beach
- Monthly Elite DVBE Meeting; San Jose
- Rainbow Chamber Board Meeting; Campbell
- San Mateo Hispanic Chamber of Commerce Launch; San Mateo
- SBA Annual Conference Southern CA; Irvine
- SCMSDC Minority Business Opportunity Day; Pasadena
- USDP Monthly Meeting; Torrance

May

- Blacks 'n Business Blacks 'n Technology Awards Ceremony; San Jose
- California Hispanic Chamber Legislative Conference; Sacramento
- CWA Capacity Building & Technical Assistance; San Diego
- CWA Spring Conference; Sacramento
- DVBA Keeping the Promise; San Diego
- EBMUD's Contract & Procurement Opportunities; Oakland
- ICSBD Small Business Summit; San Jose
- Multi-Cultural Chambers Awards Reception; Oakland
- Rainbow Chamber Board Meeting; Campbell
- USDP Monthly Meeting; Sacramento
- WRMSDC Back in Black Fundraising & Black Tie Awards Gala; San Ramon

Jun

- American Water Works Association | Annual Conference & Exposition; Las Vegas, NV
- CWA Board Meeting; Los Angeles
- Joint Utilities Quarterly Meeting; San Diego
- Nor Cal LGBT+Allies Diversity Summit; Oakland
- Rainbow Chamber Board Meeting; Campbell
- USDP Monthly Meeting; San Diego

Jul

- AICOC Annual Expo; Palm Springs
- California Construction Expo; Santa Ana
- CWA Annual Planning Meeting; Newport Beach
- ICSBD Monthly Luncheon; Santa Clara
- July Tri-Chamber Mixer; San Jose
- Rainbow Chamber Board Meeting; Campbell
- SV Next Monthly Mixer; San Francisco
- USDP Monthly Meeting; Palm Springs

Aug

- California Hispanic Chamber Annual Convention; Los Angeles
- Elite SDVOB Annual Conference; San Diego
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Out at The Fair; Santa Clara
- Silicon Valley Business of Pride; San Jose
- SV Next Planning Meeting; San Jose
- USDP Monthly Meeting; Downey
- VIB Network, Veteran Information Partnership; Webinar
- WRMSDC Business Expo; San Ramon

Sep

- BAYMEC Brunch Gala 2018; San Jose
- CWA Capacity Building & Technical Assistance; San Jose
- CWA Meet the Primes; Campbell
- Joint Utilities Quarterly Meeting; Rosemead
- Minority Women's Business Conference; San Jose
- Collaboration Forum; Rosemead
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Silicon Valley | CONNECT:2018; San Jose
- Sacramento Rainbow Chamber of Commerce Gala; Sacramento
- USDP Monthly Meeting; Rosemead

Oct

- African American Community Service Agency Gala; San Jose
- CPUC Supplier Diversity En Banc; Richmond
- CWA Capacity Building & Technical Assistance; Los Angeles
- CWA Fall Conference; Monterey
- Hispanic Chamber of Commerce Silicon Valley Festiv'all; San Jose
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Monthly Mixer; San Jose
- USDP Monthly Meeting; Downey
- Veterans on the Move; San Ramon

Nov

- BBA Veterans Procurement & Business Conference; Los Angeles
- Bold Success Confence; Menlo Park
- California Veteran's Summit; San Jose
- CPUC Small Business Expo; San Ramon
- CWA Capacity Building & Technical Assistance; Hawthorne
- Rainbow Chamber Board Meeting; Campbell
- Rainbow Chamber Monthly Mixer; Campbell
- USDP Monthly Meeting; Los Angeles
- VIB Network National Conference; Los Angeles

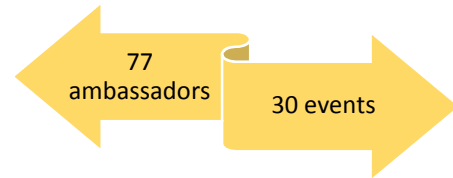
Dec

- Joint Utilities Quarterly Meeting; Henderson, NV
- Rainbow Chamber Board Meeting; Campbell
- USDP Monthly Meeting; Torrance
- USVBA Turning Contacts into Contracts; Long Beach
- WRMSDC Annual Meeting & Holiday Legacy Event; Santa Clara

Throughout the year, we participated in more than 90 outreach events across the state. Supporting local events to find diverse suppliers and national conventions to learn from other organizations while identifying upcoming trends in supplier diversity.

Ambassadors

To further increase the opportunities for diverse suppliers, we brought 77 of our program ambassadors to 30 outreach events across the state.



Through them, diverse suppliers have multiple entry points at Cal Water. Our intent is to move the conversation beyond the supplier diversity representatives, empowering our representatives to discuss priorities in their field.

Our ambassadors represent a multitude of disciplines such as: engineering, human resources, information technology, and community affairs.



Cal Water Ambassadors at the Tri-Chamber Mixer 2018. Co-hosted by the Rainbow Chamber Silicon Valley, Campbell Chamber of Commerce and The Silicon Valley Organization.

Hosting roundtable and meet-and-greet sessions

During 2018, we made it an effort to host events at our San Jose Campus, making it easier for our project managers to join.

For example, in April we hosted The Elite Service Disabled Veteran Owned Business Network (Northern California Monthly Chapter) Meeting at our facility. This event allowed DVBEs to interact directly with a civil and an electrical engineer.

To further narrow our focus on available opportunities, we hosted our first Lunch & Learn event with our Electrical Engineering Group in December.



Lunch & Learn with California Water Service's Electrical Engineering Group

The event was focused on upcoming procurement opportunities for C-10 licensed contractors.

The forum featured an initial networking session, followed by a presentation from our Electrical Engineering Manager on areas of operations, typical projects, and contractor requirements. We closed the event with individual roundtables, hosted by an engineer, to address any questions from the presentation.



Q&A Session at Lunch & Learn with California Water Service's Electrical Engineering Group

We look to host more sessions in 2019 to open up contracting opportunities, as we advance our Supplier Diversity Program.

Community-Based Organizations' Engagement

We understand that Supplier Diversity doesn't exist in a vacuum, and thus we seek effective partnerships to advance our program. We look for Community-Based Organizations (CBOs), such as Chambers of Commerce, Diversity Councils, or Business Associations to assist us in finding suppliers who can provide the products and services we need to fulfill our mission.

One such key partner is the San Diego-based [Council for Supplier Diversity](#).

Throughout the year, we've shared with them upcoming procurement opportunities to help us identify viable suppliers: from paving contractors, to distributors of water conservation devices.

From this partnership, we identified and invited [PromoVentures, Inc.](#) (WBE:17001313) to participate in our company-wide uniform request for proposal (RFP).



Our procurement department reviewed proposals from different suppliers. We awarded the contract to PromoVentures, Inc., based on a combination of winning factors including organizational structure, product and services portfolio, implementation plan, customer service practices, and competitive pricing.

A key factor in their business model is technology adoption as they'll provide Cal Water with a web portal for our employees to order their uniform. This in turn, greatly increases the efficiency of our operations.

We welcome another diverse supplier to our supply chain, and applaud their contributions to our program's success.

Our engagement with CBOs goes beyond procurement, as evident through our partnership with the [California Diversity Council](#). In 2018, we participated in an Oakland-based panel addressing the diversity and inclusion climate of LGBTQ individuals in the workforce, and in a San Jose-based panel for veterans integrating into the civilian workforce after completion of military service.



Cal Water participates at various California Diversity Council Events.

Website Update

Our Supplier’s section on Calwater.com remains an entry point for many new suppliers. With that in mind, we make it a priority for content to be relevant.

For example, at the beginning of 2018, we updated our Calendar of Events with the outreach conferences for the year; we also listed our insurance requirements and Supplier Business Code of Conduct.

Suppliers can register with us by filling out the Vendor Information form available on the website.

About Cal. Water

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- Home Emergency Insurance Solutions
- For Suppliers

Suppliers

- Supplier Registration
- WQOL/LEP/EE Business Certification and Registration
- Supplier Outreach
- Commitment to Supplier Outreach
- Calendar of Events
- Supplier FAQ
- Supplier Terms & Conditions
- Payment Information

Calendar of Events

Cal Water occasionally offers opportunities for vendors to interact with our Supplier Outreach Team and learn more about our initiatives, processes, and current areas of focus.

Month	Event	Web Site
April	Annual SBA Southern California Bay Conference	www.socalbaconference.com
May	Disabled/Veteran Disabilities Alliance Keeping The Promise	www.grouvba.org
June	WIKI-NIC National Conference & Business Fair	cont.sebenc.org
July	American Indian Chamber of Commerce Annual Expo	www.aibocci.org/events/EEPO.htm
August	The Elite S2V2B National Convention	www.elitevbcconference.com
August	NGJCC Annual Conference	www.ngjcc.org
September	California Hispanic Chamber of Commerce Annual Convention	www.zahco.com/Events/Convention.aspx
October	NRJCCG Annual Conference	www.nrjccg.org/conference
November	VIB Network National Conference	vibconference.com
December	VSDC and DGS Small Business Summit	www.vbocis.org
Various	CPUC's Small Business Expo	is.epuc.ca.gov/vsp

Awards

California Water Service and the California Water Association were recognized throughout the year by several organizations for their advocacy in supplier diversity.

Rainbow Chamber of Commerce Silicon Valley: Corporate Member of the Year

The Rainbow Chamber of Commerce Silicon Valley [recognized](#) the California Water Association as Corporate Member of the Year 2017.



Jose Espinoza (Supplier Diversity Program Manager, California Water Service) and Timothy McLaughlin (Manager Supplier Diversity & Community Involvement, San Jose Water Company)

The award is a recognition of the Association's contributions in leading the Chamber's Supplier Diversity Committee and involvement in many community and volunteer opportunities.

Established in 1999 to give exposure to the LGBT business community, the Rainbow Chamber of Commerce Silicon Valley is the largest not-for-profit corporation in greater Silicon Valley for LGBT businesses, comprised of LGBT and LGBT-supportive business owners and professionals.

U.S. Veterans Business Alliance (USVBA): 2.75% 2017 DVBE Expenditures

The USVBA recognized California Water Service for achieving a 2.75% expenditure with Disabled-Veteran-Owned Businesses in 2017.



Edward Simon (Director Business Performance and Supplier Diversity, California American Water), Leslie Marshall (Board of Directors, USVBA), Jackie Glover (Supplier Diversity Program Manager, San Gabriel Valley Water Company on behalf of Golden State Water), Jose Espinoza (Supplier Diversity Program Manager, California Water Service)

The award was presented on May 8th at the USVBA's annual signature event [Keeping the Promise](#). The event offers veterans, and disabled-veteran business-owners an exciting opportunity to discover new business markets, team members, customers, and business practices.

The Alliance is a vibrant organization that empowers, provides resources to, and works side-by-side with veterans to promote and support them in establishing, maintaining, and growing viable business enterprises.

American Water Works Association (AWWA): National Diversity Award

The AWWA [honored](#) California Water Service with the 2018 Diversity Award for our ongoing commitment to promoting and embracing diversity in business.

The Diversity Award, presented at AWWA's annual national conference, recognizes an individual or organization that has created, promoted, and maintained diversity by establishing an environment that recognizes, encourages, and effectively utilizes each person's talent.

Beyond establishing internal processes to include diverse businesses in competitive bidding opportunities, Cal Water encourages its prime contractors to include diverse suppliers in its subcontracting bids, remains engaged in supplier outreach efforts through Chambers of Commerce and other advocacy groups, and helps diverse suppliers grow their technical expertise and capabilities.



Elissa Ouyang, Chief Procurement & Lead Continuous Improvement Officer and Jose Espinoza, Supplier Diversity Program Manager

The American Water Works Association is an international nonprofit, scientific, and educational society, dedicated to providing total water solutions assuring the effective management of water. Founded in 1881, the Association is the largest organization of water supply professionals in the world.

Veterans in Business (VIB) Network: Above & Beyond Corporation of the Year Award

We concluded 2018 with the prestigious Above & Beyond Corporation of the Year Award from The [VIB Network](#), a veteran-focused organization.



California Water Service and the California Water Association accept the Above & Beyond Corporation of the Year Award

Presented at the California Science Center during the Above & Beyond Awards Banquet Dinner in November, this accolade honored joint efforts from California American Water, California Water Service, and Golden State Water in making a difference in the Veteran Business Community.

VIB’s Conference Committee and Advisors took into account many factors in awarding this designation: expenditure levels, inclusion programs, and outreach efforts.

The Committee took note that in 2017, Cal Water registered a trifold growth of its procurement from Disabled-Veteran-Owned Businesses (DVBEs), from \$2 million in 2016 to \$6.6 million in 2017, contracting with 21 DVBEs throughout the year.

They also accounted for the inclusion of diverse suppliers through Cal Water’s Procurement Policy.

Outreach efforts included CWA’s Meet the Primes and CWA’s Capacity Building and Technical Assistance Programs, like our 2017 partnership with the Minority Business Development Agency (MBDA).

At Cal Water, we’re proud of our second veteran-focused award, and remain committed to opening contracting opportunities for those that served our nation.

The bronze award was created by [VetArt](#), a nonprofit organization where Veterans and Active Duty Military can create and connect through art.

The VIB Network’s mission is to provide education, training, resources, outreach, and support to help all Veterans in Business grow and succeed.



*Veterans in Business Network
2nd Annual National Conference, November 2018.
Above & Beyond Award-Corporation of the Year
California American Water, California Water Service & Golden State Water*

Supplier Diversity Program Awards

2017		2018			
Regional Awards	National Awards	Regional Awards	National Awards		
Asian, Inc.	Minority Business Development Agency	Rainbow Chamber of Commerce Silicon Valley	U.S. Veterans Business Alliance	American Water Works Association	The Veterans in Business Network

Capacity-Building and Technical Assistance (CB&TA)

Workshop Series

We manage our CB&TA program under the umbrella of the California Water Association (CWA), as this is an effective method for outreaching diverse suppliers.

Following our successful 2017 partnership with the Minority Business Development Agency, in 2018 we conducted a Request for Proposal (RFP) with nine CBOs for an opportunity to showcase their expertise in conducting such programs.

Through a structured evaluation process, we selected the Council for Supplier Diversity and the University of San Diego (USD) School of Business. Their joint proposal outlined an innovative approach through a series of workshops on Organization and Operational Strategy.



David Pyke PHD, Professor of Operations/Supply Chain Management, University of San Diego School of Business and Ronald B. Garnett, President and CEO of the Council for Supplier Diversity

We initiated our program in May at the Council's San Diego office with about 20 participants. Following the workshop, we held a panel discussion on strategies for success.

In September, we hosted the second session at Cal Water's San Jose Campus. With more than 15 RSVPs, this installment allowed for Bay Area-diverse suppliers to learn about operational strategy. The discussion centered on topics including defining operations strategy, mission, operations objectives, and tactics.

The workshop was followed by a Q&A session on the California Water Association, diversity certifications, certifying entities, and typical water-utility projects.

We held our third session in October at the City Club in Downtown Los Angeles. As in previous workshops, diverse suppliers had an opportunity to review their organizational and operational strategy.

A highlight of the session was when (in a group setting) suppliers defined and ranked their priorities based on cost, quality, delivery, and flexibility. In essence, they honed in on what is important to be successful in their industry.

For our fourth and final session, we partnered with the Small Business Development Center at El Camino College Business Training Center in Hawthorne. Following our previous model, we discussed organizational strategy topics such as supporting systems and processes, proper alignment of resources, and assessing human-resource capability.

This fourth workshop marked the culmination of a year-long, statewide effort in providing tools for small and diverse suppliers to become more competitive in the marketplace.

Certification Assistance

For many suppliers, the certification process can be a daunting task, full of unknown acronyms (e.g., WBE, MBE, CAV), and requiring a variety of paperwork (e.g., articles of incorporation, bank cards).

It's with this understanding that we guide many of our vendors through the process, leveraging our knowledge and communication channel with The Supplier Clearinghouse.

In 2018, we assisted two of our current vendors (with six-figure projects) with becoming MBE-certified:

Gordon Prill, Inc. (**MBE: 17001287**), a Sunnyvale-based company, providing Cal Water with architectural consulting services as we remodel our Water Quality Laboratory.

WinWire Technologies Inc (**MBE: 18000209**), a Santa Clara-based company, assisting Cal Water with the technical enhancement of our Continuous Improvement application.

One-on-One Mentoring

We recognize that incorporating suppliers into our procurement requires long-term mentoring. To this end, we're currently tracking a few of our diverse suppliers on their road to development:



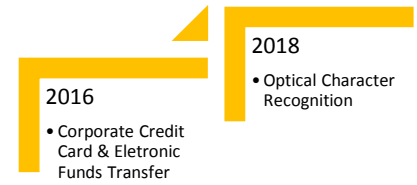
Timely Payment

As a leading water utility, we are committed to paying our suppliers and contractors in a timely manner.

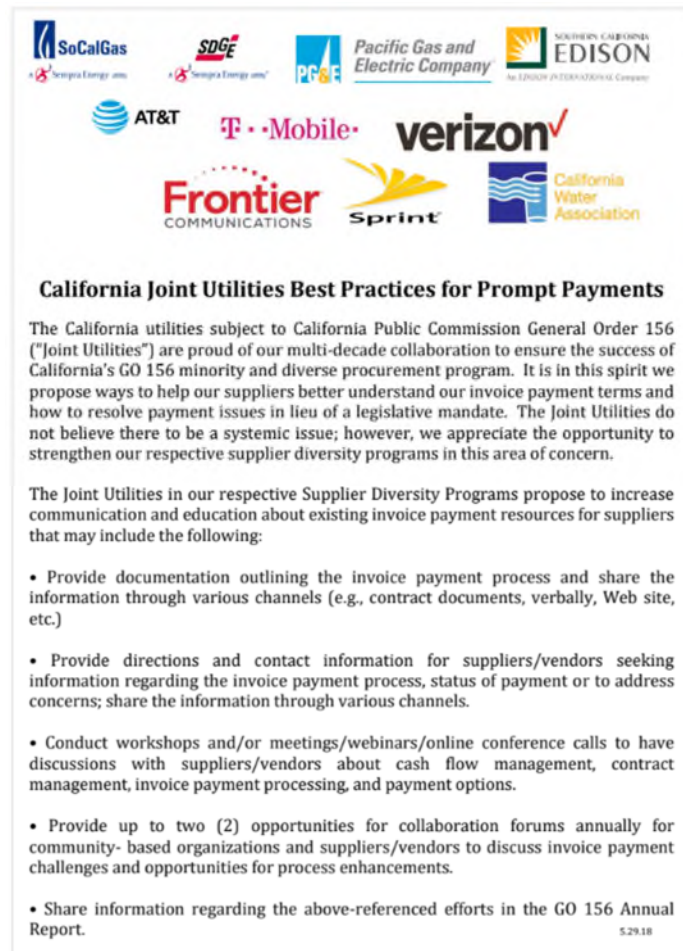
For example, in 2016 we improved the way we pay by offering our suppliers payments through a corporate credit card or electronic funds transfer. This in turn reduced our payment cycle by seven to ten days as checks were no longer mailed.

Following that improvement, in 2018 we worked on implementing an electronic image-capturing software to automatically recognize an invoice through Optical Character Recognition (OCR), or electronic conversion of images into machine-encoded text. OCR would reduce the processing time by automatically sorting and routing documents through the workflow approval process.

We're counting on this tool, once fully implemented, to further reduce our processing time to the benefit of our suppliers.



In 2018, we took action to implement the proposed agreement (in lieu of AB-1552) on increased communication and education about existing invoice-payment resources for suppliers:

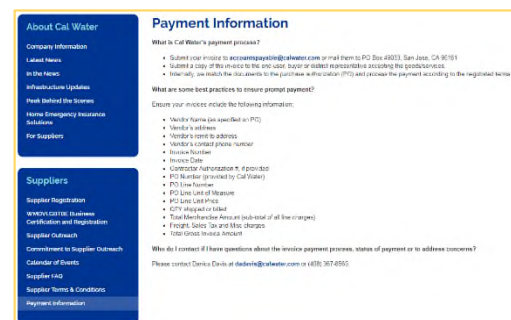


Section 1: Provide documentation outlining the invoice payment process and share the information through various channels (e.g., contract documents, verbally, Web site)

Cal Water: We've included an overview of our payment process in different channels:

First, it's included in all purchase orders we award to suppliers (independent of their diversity status).

Second, we created a separate Payment Information section under our calwater.com/suppliers portal.



Section 2: Provide directions and contact information for suppliers/vendors seeking information regarding the invoice payment process, status of payment or to address concerns; share the information through various channels.

Cal Water: We identified one point of contact to address any concerns suppliers might have with payments. We've included her name, e-mail address, and phone number on a separate Payment Information section under our calwater.com/suppliers portal.

Section 3: Conduct workshops and/or meetings/webinars/online conference calls to have discussions with suppliers/vendors about cash flow management, contract management, invoice payment processing, and payment options.

Cal Water: During our Northern CA September Meet the Primes session, we took the opportunity to discuss issues around timely payments with an audience of CWA primes and subcontractors.

For primes, our message was clear: honor the negotiated payment terms with subcontractors. And for suppliers: we, program managers, are available to help answer questions or mediate in any situation.



Section 4: Provide up to two (2) opportunities for collaboration forums annually for community-based organizations (CBOs) and suppliers/vendors to discuss invoice payment challenges and opportunities for process enhancements.

Cal Water: Third-quarter 2018 provided the opportunity for CBOs and Regulated Joint Utilities (JU) Collaboration Forum. Held in Southern CA, this was a space designed to discuss challenges around invoice payments, construction bonds, and retainers, among other topics.



Collaboration Forum, Rosemead

In attendance were representatives from the many regulated utilities, CBO delegates from the CA Hispanic Chamber of Commerce, and the Elite SDVOB Network.

Other CBOs relevant to AB-1552 were invited, but didn't attend the meeting.

Section 5: Share information regarding the above-referenced efforts in the GO 156 Annual Report.

Cal Water: We've included such section in our 2018 Supplier Diversity Annual Report.

9.1.2 WMDVLGBTBE Annual Results by Ethnicity

			2018			
			Direct	Sub	Total \$	%
1	Minority Male	Asian Pacific American	\$ 5,376,940.01	\$ 306,657.09	\$ 5,683,597.10	2.24%
2		African American	\$ 168,994.78	\$ 11,045.80	\$ 180,040.58	0.07%
3		Hispanic American	\$ 23,219,710.30	\$ 4,830,319.47	\$ 28,050,029.77	11.03%
4		Native American	\$ 1,407,421.95	\$ 96,897.78	\$ 1,504,319.73	0.59%
5		Total Minority Male	\$ 30,173,067.04	\$ 5,244,920.14	\$ 35,417,987.18	13.93%
6	Minority Female	Asian Pacific American	\$ 1,591,392.85	\$ 49,925.88	\$ 1,641,318.73	0.65%
7		African American	\$ 52,546.19	\$ 9,238.00	\$ 61,784.19	0.02%
8		Hispanic American	\$ 882,956.40	\$ 217,433.96	\$ 1,100,390.36	0.43%
9		Native American	\$ -	\$ -	\$ -	0.00%
10		Total Minority Female	\$ 2,526,895.44	\$ 276,597.84	\$ 2,803,493.28	1.10%
11	Total Minority Business Enterprise (MBE)		\$ 32,699,962.48	\$ 5,521,517.98	\$ 38,221,480.46	15.03%
12	Women Business Enterprise (WBE)		\$ 6,645,227.74	\$ 2,836,939.93	\$ 9,482,167.67	3.73%
13	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)		\$ 204,063.83	\$ -	\$ 204,063.83	0.08%
14	Disabled-Veteran Business Enterprise (DVBE)		\$ 548,071.85	\$ 157,768.00	\$ 705,839.85	0.28%
15	Other 8(a)				\$ -	0.00%
16	Total WMDVLGBTBE		\$ 40,097,325.90	\$ 8,516,225.91	\$ 48,613,551.81	19.12%
17	Net Procurement		\$ 254,246,384.37			

Department Spotlight: Cal Water's Environmental Department

Cal Water's Environmental Department has three critical objectives: improving our ability to meet environmental regulations, preventing pollution, and protecting our natural resources.



The department is led by Dale G., who joined Cal Water in 2004. He oversees three other project managers, covering more than 20 cities in our state, and seven main program areas: Hazardous Waste Management, Hazardous Material Management, Water Discharge Compliance, Right-to-Know Programs, Due Diligence Programs, Air Compliance Programs, and Land Use Programs. All these programs are in direct support of the projects Cal Water Engineering, and Operations undertake.

Mark B., with Cal Water since 2005, is responsible for implementing programs to reduce environmental liability in the areas of air, hazardous materials, hazardous waste, and water discharge compliance. He also provides emergency response service for noncompliant discharges, hazardous materials spills, and environmental clean ups.

Kim G., a Cal Water-employee since 2008, is responsible for operations north of the Bay Area. There she implements hazardous material and hazardous waste programs to ensure proper disposal.

Kelly S., with Cal Water since 2012, ensures all records are properly archived. These records include discharge records and hazardous waste manifests. The complexity of the task is highlighted by the fact that more than 20 operating districts generate such records.

Finally, Robert M. brings 17 years of previous experience to Cal Water. He covers our Southern California operations, and his many responsibilities include monitoring environmental performance, internal audits, record keeping, and third-party audits.



Cal Water's Environmental Department has been a strong supporter of our Supplier Diversity Program.

And the record shows in 2017, 75% of all their projects safeguarding California's environment were completed by diverse suppliers.

9.1.2 WMDVLGBTBE Direct Procurement by Product and Service Categories

				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Direct	\$ 1,138,549.55	0.45%	\$ 4,238,390.46	1.67%	\$ 5,376,940.01	2.11%
2		African American	Direct	\$ -	0.00%	\$ 168,994.78	0.07%	\$ 168,994.78	0.07%
3		Hispanic American	Direct	\$ 374,600.11	0.15%	\$ 22,845,110.19	8.99%	\$ 23,219,710.30	9.13%
4		Native American	Direct	\$ 21,293.22	0.01%	\$ 1,386,128.73	0.55%	\$ 1,407,421.95	0.55%
5		Total Minority Male	Direct	\$ 1,534,442.88	0.60%	\$ 28,638,624.16	11.26%	\$ 30,173,067.04	11.87%
6	Minority Female	Asian Pacific American	Direct	\$ 734,539.24	0.29%	\$ 856,853.61	0.34%	\$ 1,591,392.85	0.63%
7		African American	Direct	\$ 51,322.94	0.02%	\$ 1,223.25	0.00%	\$ 52,546.19	0.02%
8		Hispanic American	Direct	\$ 171,026.75	0.07%	\$ 711,929.65	0.28%	\$ 882,956.40	0.35%
9		Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Direct	\$ 956,888.93	0.38%	\$ 1,570,006.51	0.62%	\$ 2,526,895.44	0.99%
11	Total Minority Business Enterprise (MBE)		Direct	\$ 2,491,331.81	0.98%	\$ 30,208,630.67	11.88%	\$ 32,699,962.48	12.86%
12	Women Business Enterprise (WBE)		Direct	\$ 2,090,607.54	0.82%	\$ 4,554,620.20	1.79%	\$ 6,645,227.74	2.61%
13	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)		Direct	\$ 247.20	0.00%	\$ 203,816.63	0.08%	\$ 204,063.83	0.08%
14	Disabled-Veteran Business Enterprise (DVBE)		Direct	\$ 2,653.37	0.00%	\$ 545,418.48	0.21%	\$ 548,071.85	0.22%
15	Other 8(a)		Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	Total WMDVLGBTBE		Direct	\$ 4,584,839.92	1.80%	\$ 35,512,485.98	13.97%	\$ 40,097,325.90	15.77%
17	Total Product Procurement			\$ 53,306,200.19					
18	Total Service Procurement			\$ 200,940,184.18					

19	Net Procurement	\$ 254,246,384.37
20	Total Number of WMDVLGBTBEs that Received Direct Spend	148

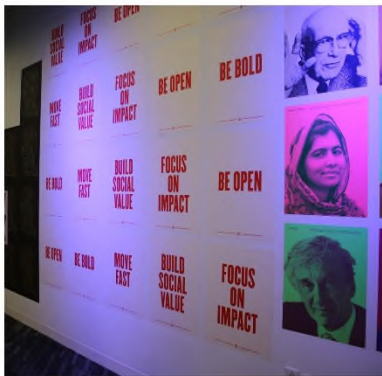
9.1.2 WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Sub	\$ 1,508.85	0.00%	\$ 305,148.24	0.12%	\$ 306,657.09	0.12%
2		African American	Sub	\$ -	0.00%	\$ 11,045.80	0.00%	\$ 11,045.80	0.00%
3		Hispanic American	Sub	\$ 653,769.17	0.26%	\$ 4,176,550.30	1.64%	\$ 4,830,319.47	1.90%
4		Native American	Sub	\$ 96,897.78	0.04%	\$ -	0.00%	\$ 96,897.78	0.04%
5		Total Minority Male	Sub	\$ 752,175.80	0.30%	\$ 4,492,744.34	1.77%	\$ 5,244,920.14	2.06%
6	Minority Female	Asian Pacific American	Sub	\$ -	0.00%	\$ 49,925.88	0.02%	\$ 49,925.88	0.02%
7		African American	Sub	\$ -	0.00%	\$ 9,238.00	0.00%	\$ 9,238.00	0.00%
8		Hispanic American	Sub	\$ 96,502.59	0.04%	\$ 120,931.37	0.05%	\$ 217,433.96	0.09%
9		Native American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
10		Total Minority Female	Sub	\$ 96,502.59	0.04%	\$ 180,095.25	0.07%	\$ 276,597.84	0.11%
11	Total Minority Business Enterprise (MBE)		Sub	\$ 848,678.39	0.33%	\$ 4,672,839.59	1.84%	\$ 5,521,517.98	2.17%
12	Women Business Enterprise (WBE)		Sub	\$ 296,650.62	0.12%	\$ 2,540,289.31	1.00%	\$ 2,836,939.93	1.12%
13	Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
14	Disabled-Veteran Business Enterprise (DVBE)		Sub	\$ 154,723.00	0.06%	\$ 3,045.00	0.00%	\$ 157,768.00	0.06%
15	Other 8(a)		Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
16	Total WMDVLGBTBE		Sub	\$ 1,300,052.01	0.51%	\$ 7,216,173.90	2.84%	\$ 8,516,225.91	3.35%
17	Total Product Procurement			\$ 53,306,200.19					
18	Total Service Procurement			\$ 200,940,184.18					
19	Net Procurement			\$ 254,246,384.37					

Community Involvement Spotlight: Cal Water | BOLD Success

Our own Chief Procurement and Lead Continuous Improvement Officer shared her inspirational journey of leadership during the November 2nd event.

This forum provided an opportunity for women entrepreneurs to share experiences in starting and growing their businesses.



Janice R. Greene, Ph.D., WBEC-Pacific President and CEO, joined by Cal Water's Chief Procurement Officer, Financial Systems Analyst, and Senior Civil Engineer

California Water Service's Supplier Diversity Program supports Women's Business Enterprise Council-Pacific (WBEC-Pacific) by actively participating in their events and for the first time, featuring a distinguished speaker.

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	\$	11,000.00	-	-	308,926.32	78,472.20	-	-	398,398.52	16,931.00	-	-		415,329.52	1,946,837.56
	%	0.00%			0.12%	0.03%			0.16%	0.01%				0.16%	0.77%
14: NONMETALLIC MINERALS, EXCEPT FUELS	\$	-	-	-	-	26,880.51	-	-	26,880.51	1,230.00	-	-		28,110.51	71,444.24
	%					0.01%			0.01%	0.00%				0.01%	0.03%
15: GENERAL BUILDING CONTRACTORS	\$	-	-	11,356.75	-	-	136,371.50	-	-	147,728.25	-	19,730.50		167,458.75	5,043,540.56
	%			0.00%			0.05%			0.06%		0.01%		0.07%	1.98%
16: HEAVY CONSTRUCTION, EXCEPT BUILDING	\$	833,120.15	-	-	-	19,786,451.50	12,760.00	538,692.01	-	-	-	36,791.56		21,207,815.22	94,388,637.34
	%	0.33%				7.78%	0.01%	0.21%				0.01%		8.34%	37.12%
17: SPECIAL TRADE CONTRACTORS	\$	278,475.41	14,009.44	11,045.80	-	6,053,469.21	246,655.22	-	-	6,603,655.08	667,196.54	314,940.21		7,585,791.83	17,884,242.25
	%	0.11%	0.01%	0.00%		2.38%	0.10%			2.60%	0.26%	0.12%		2.98%	7.03%
20: FOOD AND KINDRED PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-		-	397.50
	%														0.00%
22: TEXTILE MILL PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-		-	10,099.24
	%														0.00%
23: APPAREL AND OTHER TEXTILE PRODUCTS	\$	-	-	-	50,868.56	-	-	-	-	50,868.56	84,284.57	-		135,153.13	236,851.35
	%				0.02%					0.02%	0.03%			0.05%	0.09%
27: PRINTING AND PUBLISHING	\$	-	-	-	-	-	12,613.51	-	-	12,613.51	2,936.32	725.13		16,274.96	614,071.61
	%						0.00%			0.00%	0.00%	0.00%		0.01%	0.24%
28: CHEMICALS AND ALLIED PRODUCTS	\$	-	-	-	-	-	-	-	-	-	17,272.71	-		17,272.71	11,030,947.56
	%										0.01%			0.01%	4.34%
30: RUBBER AND MISC. PLASTICS PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-		-	6,501.85
	%														0.00%
32: STONE, CLAY, AND GLASS PRODUCTS	\$	-	-	-	-	-	81,435.08	-	-	81,435.08	-	-		81,435.08	458,413.30
	%						0.03%			0.03%				0.03%	0.18%
33: PRIMARY METAL INDUSTRIES	\$	-	-	-	-	-	-	-	-	-	31,730.21	-		31,730.21	523,943.83
	%										0.01%			0.01%	0.21%

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							
34: FABRICATED METAL PRODUCTS	\$	-	-	-	433,041.81	-	-	-	433,041.81	-	-	121,593.00		554,634.81	13,891,658.89
	%				0.17%				0.17%			0.05%		0.22%	5.46%
35: INDUSTRIAL MACHINERY AND EQUIPMENT	\$	-	-	-	-	-	-	-	-	306,500.85	-	-		306,500.85	2,440,951.97
	%									0.12%				0.12%	0.96%
36: ELECTRONIC & OTHER ELECTRIC EQUIPMENT	\$	-	-	-	-	-	-	-	-	10,202.00	-	-		10,202.00	609,016.02
	%									0.00%				0.00%	0.24%
37: TRANSPORTATION EQUIPMENT	\$	-	-	-	-	-	-	-	-	-	-	-		-	804,394.83
	%														0.32%
38: INSTRUMENTS AND RELATED PRODUCTS	\$	-	-	-	-	-	-	-	-	-	-	-		-	3,435,155.72
	%														1.35%
39: MISC. MANUFACTURING INDUSTRIES	\$	-	-	-	2,444.87	-	-	-	2,444.87	633.50	-	2,500.00		5,578.37	47,505.37
	%				0.00%				0.00%	0.00%		0.00%		0.00%	0.02%
42: TRUCKING AND WAREHOUSING	\$	-	-	-	1,223.25	489,977.15	-	-	491,200.40	1,635,462.47	-	-		2,126,662.87	2,347,146.72
	%				0.00%	0.19%			0.19%	0.64%				0.84%	0.92%
45: TRANSPORTATION BY AIR	\$	-	-	-	-	-	-	-	-	-	-	-		-	2,621.99
	%														0.00%
47: TRANSPORTATION SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-		-	14,523.50
	%														0.01%
48: COMMUNICATION	\$	-	-	-	-	-	-	-	-	-	4,534.83	-		4,534.83	265,657.79
	%										0.00%			0.00%	0.10%
49: ELECTRIC, GAS, AND SANITARY SERVICES	\$	-	-	-	-	6,097.37	-	-	6,097.37	1,040,531.07	-	1,970.00		1,048,598.44	1,156,954.97
	%					0.00%			0.00%	0.41%		0.00%		0.41%	0.46%
50: WHOLESALE TRADE - DURABLE GOODS	\$	42,333.06	734,539.24	-	454.38	506,149.50	694.39	103,856.07	1,388,026.64	1,562,241.08	-	33,283.37		2,983,551.09	9,183,284.13
	%	0.02%	0.29%		0.00%	0.20%	0.00%	0.04%	0.55%	0.61%		0.01%		1.17%	3.61%
51: WHOLESALE TRADE - NONDURABLE GOODS	\$	-	-	-	-	84,078.74	145,220.24	-	229,298.98	156,080.81	-	-		385,379.79	1,630,581.57
	%					0.03%	0.06%		0.09%	0.06%				0.15%	0.64%

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							
52: BUILDING MATERIALS AND HARDWARE	\$	-	-	-	-	2,926.91	-	-	2,926.91	167,417.65	-	-		170,344.56	882,971.83
	%					0.00%			0.00%	0.07%				0.07%	0.35%
53: GENERAL MERCHANDISE STORES	\$	3,549.24	-	-	-	10,372.21	-	-	13,921.45	-	-	-		13,921.45	286,846.66
	%	0.00%				0.00%			0.01%					0.01%	0.11%
54: FOOD STORES	\$	-	-	-	-	-	-	-	-	-	-	-		-	116,674.81
	%														0.05%
55: AUTOMOTIVE DEALERS & SERVICE STATIONS	\$	1,094,001.69	-	-	-	530.63	-	14,334.93	1,108,867.25	676.40	-	-		1,109,543.65	5,591,520.90
	%	0.43%				0.00%		0.01%	0.44%	0.00%				0.44%	2.20%
56: APPAREL AND ACCESSORY STORES	\$	-	-	-	-	-	-	-	-	-	247.20	-		247.20	131,899.54
	%										0.00%			0.00%	0.05%
57: FURNITURE AND HOMEFURNISHING STORES	\$	174.41	-	-	-	-	-	-	174.41	11,725.76	-	-		11,900.17	270,023.22
	%	0.00%							0.00%	0.00%				0.00%	0.11%
58: EATING AND DRINKING PLACES	\$	-	-	-	-	-	-	-	-	-	-	-		-	700,169.44
	%														0.28%
59: MISCELLANEOUS RETAIL	\$	-	-	-	-	2,123.73	-	-	2,123.73	37,262.62	-	-		39,386.35	1,645,115.86
	%					0.00%			0.00%	0.01%				0.02%	0.65%
60: DEPOSITORY INSTITUTIONS	\$	-	-	-	-	-	-	-	-	251,317.29	-	-		251,317.29	251,317.29
	%									0.10%				0.10%	0.10%
62: SECURITY AND COMMODITY BROKERS	\$	-	-	-	-	-	-	-	-	-	-	-		-	706,497.13
	%														0.28%
63: INSURANCE CARRIERS	\$	-	-	-	-	-	-	-	-	-	-	-		-	57,966.56
	%														0.02%
64: INSURANCE AGENTS, BROKERS, & SERVICE	\$	-	228.14	-	-	-	-	-	228.14	-	-	-		228.14	48,779.88
	%		0.00%						0.00%					0.00%	0.02%
65: REAL ESTATE	\$	-	-	-	-	-	-	-	-	-	-	-		-	133,637.34
	%														0.05%

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							
72: PERSONAL SERVICES	\$	-	10,985.90	-	-	-	-	-	10,985.90	17,445.70	-	-		28,431.60	201,773.82
	%		0.00%						0.00%	0.01%				0.01%	0.08%
73: BUSINESS SERVICES	\$	2,993,223.31	723,468.69	852.00	9,238.00	178,976.80	295,378.67	-	4,201,137.47	2,627,991.31	658.76	35,759.64		6,865,547.18	23,278,686.42
	%	1.18%	0.28%	0.00%	0.00%	0.07%	0.12%		1.65%	1.03%	0.00%	0.01%		2.70%	9.16%
75: AUTO REPAIR, SERVICES, AND PARKING	\$	-	3,383.15	-	-	21,935.60	-	-	25,318.75	-	-	-		25,318.75	471,214.31
	%		0.00%			0.01%			0.01%					0.01%	0.19%
76: MISCELLANEOUS REPAIR SERVICES	\$	-	-	-	-	-	-	-	-	946.09	-	-		946.09	357,771.74
	%									0.00%				0.00%	0.14%
78: MOTION PICTURES	\$	-	-	-	-	-	-	-	-	-	-	-		-	121,600.13
	%														0.05%
79: AMUSEMENT & RECREATION SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-		-	51,640.46
	%														0.02%
80: HEALTH SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-		-	30,606.73
	%														0.01%
81: LEGAL SERVICES	\$	-	19,593.94	1,898.50	-	-	-	-	21,492.44	104,642.09	-	-		126,134.53	620,072.87
	%		0.01%	0.00%					0.01%	0.04%				0.05%	0.24%
82: EDUCATIONAL SERVICES	\$	-	-	-	-	-	-	-	-	1,197.02	-	-		1,197.02	106,682.64
	%									0.00%				0.00%	0.04%
83: SOCIAL SERVICES	\$	-	-	-	-	-	-	-	-	-	-	-		-	4,915.24
	%														0.00%
84: MUSEUMS, BOTANICAL, ZOOLOGICAL GARDENS	\$	-	-	-	-	-	-	-	-	17,680.75	-	-		17,680.75	17,680.75
	%									0.01%				0.01%	0.01%
86: MEMBERSHIP ORGANIZATIONS	\$	-	-	-	-	-	-	-	-	-	-	-		-	2,000.00
	%														0.00%
87: ENGINEERING & MANAGEMENT SERVICES	\$	427,719.83	135,110.23	154,887.53	-	155,187.21	22,244.00	847,436.72	1,742,585.52	644,004.61	198,623.04	131,419.12		2,716,632.29	49,112,037.01
	%	0.17%	0.05%	0.06%		0.06%	0.01%	0.33%	0.69%	0.25%	0.08%	0.05%		1.07%	19.32%

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								
99: SERVICES (NOT ELSEWHERE CLASSIFIED)	\$	-	-	-	26,736.70	22,268.55	-	-	49,005.25	66,627.25	-	7,127.32	-	122,759.82	1,000,900.13	
	%				0.01%	0.01%			0.02%	0.03%		0.00%		0.05%	0.39%	
TOTAL	\$	5,683,597.10	1,641,318.73	180,040.58	61,784.19	28,050,029.77	1,100,390.36	1,504,319.73	-	38,221,480.46	9,482,167.67	204,063.83	705,839.85	-	48,613,551.81	254,246,384.37
	%	2.24%	0.65%	0.07%	0.02%	11.03%	0.43%	0.59%		15.03%	3.73%	0.08%	0.28%		19.12%	100.00%

Total Product Procurement	\$ 53,306,200.19
Total Service Procurement	\$ 200,940,184.18

Net Procurement	\$ 254,246,384.37
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Community Involvement Spotlight: Cal Water | Festiv'all

A Hispanic Chamber of Commerce Silicon Valley event, Festiv'all, is the Chamber's most celebrated multicultural business expo.

This year's edition took place on October 19, at San Jose City College with over 2,000 registered attendees.



Cal Water Representatives at Festiv'all

As a member of the community, Cal Water had representatives at the event. They attended various cultural performances, sampled offerings from local restaurants, and also visited with the Rainbow Chamber of Commerce Silicon Valley—an organization with whom we're very active in our Supplier Diversity Program.

We're proud of our partnership with the Hispanic Chamber of Commerce Silicon Valley and look forward to a continued collaboration to further advance Cal Water's Supplier Diversity Program.

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 2018 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total
Under \$1 million or Unknown	38	23	1	16	-	78	109	71	4	16	-	200
Under \$5 million	27	19	2	-	-	48	4	3	-	-	-	7
Under \$10 million	11	11	-	-	-	22	-	-	-	-	-	-
Above \$10 million	38	21	1	-	-	60	1	-	-	-	-	1
TOTAL	114	74	4	16	-	208	114	74	4	16	-	208

WMDVLGBTBE \$M	Revenue and Payment Data											
	Revenue Reported to CHS						Utility-Specific 2018 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)	Grand Total
Under \$1 million or Unknown	\$14.6	\$8.6	\$.1	\$.	\$.	\$23.2	\$12.9	\$6.1	\$.2	\$.7	\$.	\$19.9
Under \$5 million	\$70.2	\$57.9	\$2.9	\$.	\$.	\$131.	\$7.9	\$3.4	\$.	\$.	\$.	\$11.3
Under \$10 million	\$81.1	\$78.9	\$.	\$.	\$.	\$160.1	\$.	\$.	\$.	\$.	\$.	\$.
Above \$10 million	\$10,171.7	\$6,541.8	\$24.	\$.	\$.	\$16,737.5	\$17.4	\$.	\$.	\$.	\$.	\$17.4
TOTAL	\$10,337.6	\$6,687.2	\$27.	\$.	\$.	\$17,051.8	\$38.2	\$9.5	\$.2	\$.7	\$.	\$48.6

Community Involvement Spotlight: Dale Gonzales | Industry Council for Small Business

A roomful of diverse suppliers, community leaders and Cal Water colleagues attended the speaking engagement of Dale Gonzales, Director Environmental Affairs, with the Industry Council for Small Business Development ([ICSBD](#)) at the Santa Clara Biltmore Hotel and Suites.



Cal Water Representatives from Accounting and Engineering at the ICSBD

The ICSBD is an organization Cal Water supports through our Supplier Diversity Program with attendees, and featured speakers. ICSBD's monthly luncheons allow for diverse suppliers to connect with project managers.

Dale's presentation included a brief introduction about himself, followed by an explanation of how his team is organized and what they do. He also discussed the different ways in which vendors and consultants support his team. In closing, there was a Q&A period where participants inquired about reclaimed water as well as our interaction with different regulatory agencies.

We're proud of our partnership with ICSBD and look forward to a continued collaboration to further advance Cal Water's Supplier Diversity Program.

9.1.2 Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

Based on information from the Supplier Clearinghouse, we have identified 195 diverse suppliers for whom California is their main contact location.

9.1.3 WMDVLGBTBE Program Expenses

Expense Category	2018
1 Wages	\$ 105,000.00
2 Other Employment Expenses	\$ 20,850.45
3 Program Expenses	\$ 1,001.66
4 Reporting Expenses	\$ -
5 Training	\$ -
6 Consultants	\$ 7,764.58
7 Other	\$ 45,925.20
TOTAL	\$ 180,541.88

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

9.1.4 Description of Progress in Meeting or Exceeding Set Goals

In the WBE category, we saw a growth of direct expenditures vis-à-vis our subcontracting. This development was driven by two suppliers in different industries.

We saw a triple growth with a hazardous waste-management contractor; this follows the active engagement by Cal Water's Environmental Affairs team.

Similarly, we experienced such threefold growth with a Palo Alto-based Data Management Solutions Provider. This growth is attributed to our procurement policy, requiring diverse suppliers in every competitive bidding exercise.

We attribute the decrease in subcontracting expenditures with a material distributor to the completion of a 2017 project.

Our results with DVBEs were greatly affected in 2018.

Two key underground pipeline contractors lost their designations because of ownership changes.

In the first instance, the qualifying partner sold their shares and moved out of state under pressure from Bay Area housing costs.

The second contractor is going through an internal reorganization and lost their designation in 2018. They are due to renew their certification in 2019 upon completion of this process.

Finally, a third Northern California contractor did not renew their certification.

These changes reduced our DVBE results by \$1.3M or 0.55%.

We, however, see positive developments with other DVBEs integrating to our supply chain. Among them, an electrical contractor in Northern California, a Southern California underground pipeline, and a San Diego-based safety consultant.

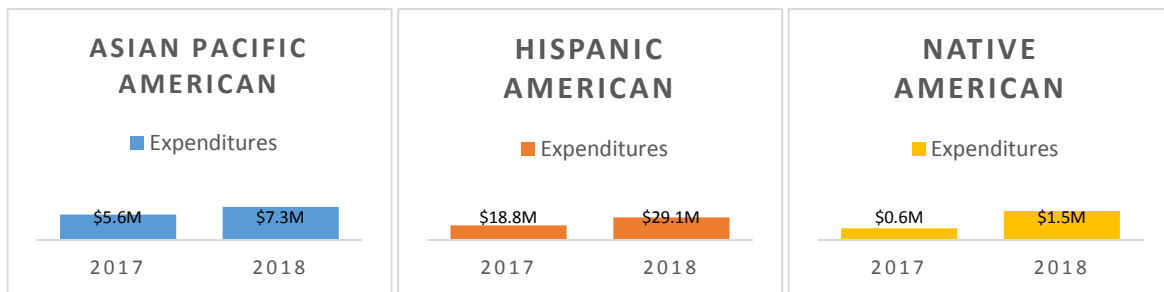
9.1.4 WMDVLGBTBE Results and Goals

Category	Results	Goals
Minority Men	13.93%	12.00%
Minority Women	1.10%	3.00%
Minority Business Enterprise (MBE)	15.03%	15.00%
Women Business Enterprise (WBE)	3.73%	5.00%
Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)	0.08%	N/A
Disabled-Veteran Business Enterprise (DVBE)	0.28%	1.50%
TOTAL WMDVLGBTBE	19.12%	21.50%

We continue making a concerted effort to increase diverse suppliers in our supply chain; our 2018 results show our progress.

Overall, we increased both our percentage (19.12% from 17.50%) and dollar amount (\$48.6M from \$42.2M) of expenditures with diverse suppliers.

Under the MBE categories, we experienced substantial growth with the Asian Pacific, Hispanic, and Native American Business Enterprise community:



Our engagement with Asian Pacific American-owned firms grew by more than \$1M, with the majority (95%) of the expenditures via direct purchases of Information Technology services.

This makes such engagements sustainable as the growth is through direct interactions with Cal Water decision-makers.

Hispanic American-owned firms saw an increased engagement in construction contracts. Similarly, the majority (82%) of these expenditures were via direct purchases.

Finally, we more than doubled our participation with Native American-owned firms. We've established a successful partnership with a Marin County-based management consulting and technology service firm.

We continue a steady growth in the LGBTBE category.

In 2018, we increased their participation to 0.08% from 0.05%.

Furthermore, we doubled the number of contracting suppliers to four, from two.

As an organization, we are increasing our involvement with the community and remain optimistic of further developments in this category.

9.1.5 Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

Subcontracting remains an active part of our program, and we have established outreach and reporting practices with many of our prime contractors.

Joint Outreach Event Participation

We understand the importance of having our construction primes directly interact with diverse subcontractors. With this intent, we regularly have them join us at our table during outreach events, or encourage them to host their own booth.

For example, West Valley Construction has developed their own literature and can be seen in many CPUC-hosted events alongside Cal Water.



West Valley Construction at the CPUC's San Ramon Small Business Expo on November 1, 2018.

California Water Association Meet the Primes

A prime contractor-focused outreach opportunity is the California Water Association’s Meet the Primes, a forum for primes and subcontractors to connect.

Meet the Primes, Southern CA: Torrance | April 2018



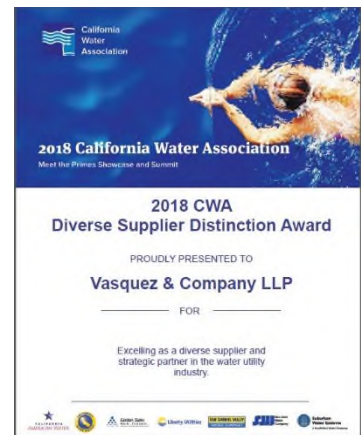
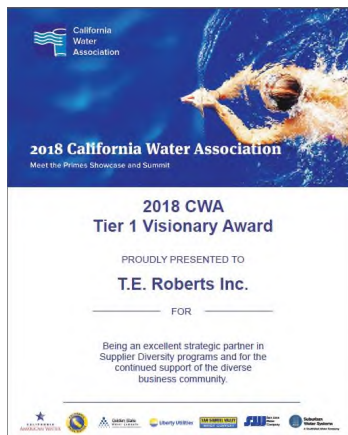
CWA Meet the Primes, Southern CA



The program was designed to provide diverse suppliers insider views to doing business with CWA-members, followed by 15 minutes of Q&A facilitated by keynote speaker, Pamela Isom.



The event featured a Vendor Showcase, allowing diverse suppliers two minutes to present their company's capabilities to an audience of CWA-representatives and prime suppliers. The representatives were then able to request follow-up meetings during the afternoon session.



CWA Representatives Honor T.E. Roberts Inc. and Vasquez & Company LLP

Meet the Primes, Northern CA: Campbell | September 2018

*CWA Meet the Primes, Northern CA*

We hosted our second Meet the Primes session at the Campbell Community Center in Northern California. This session focused on operations from San Joaquin Valley to Northern Sacramento Valley.

The program included opening comments by Cal Water’s Chief Procurement & Lead Continuous Improvement Officer, as well as a presentation by San Jose Water’s Assistant Chief Engineer in Construction. West Valley Construction, a prime contractor, discussed upcoming projects in their service territory.



CWA Representatives Honor Garney Construction

During lunch, Garney Construction, a California American Water Prime Contractor, was honored by CWA for their project performance and subcontractor expenditures while completing a Monterey Pipeline Project.

Finally, in closing the event, subcontractors had the opportunity to present their organizations through a two-minute quick pitch.

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 (LGBTBE)	Disabled-Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE
Direct \$	\$ 30,173,067.04	\$ 2,526,895.44	\$ 32,699,962.48	\$ 6,645,227.74	\$ 204,063.83	\$ 548,071.85	\$ -	\$ 40,097,325.90
Subcontracting \$	\$ 5,244,920.14	\$ 276,597.84	\$ 5,521,517.98	\$ 2,836,939.93	\$ -	\$ 157,768.00	\$ -	\$ 8,516,225.91
Total \$	\$ 35,417,987.18	\$ 2,803,493.28	\$ 38,221,480.46	\$ 9,482,167.67	\$ 204,063.83	\$ 705,839.85	\$ -	\$ 48,613,551.81

Direct %	11.87%	0.99%	12.86%	2.61%	0.08%	0.22%	0.00%	15.77%
Subcontracting %	2.06%	0.11%	2.17%	1.12%	0.00%	0.06%	0.00%	3.35%
Total %	13.93%	1.10%	15.03%	3.73%	0.08%	0.28%	0.00%	19.12%

Net Procurement	\$ 254,246,384.37
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9.1.6 WMDVLGBTBE Complaints Received and Current Status

In 2018, we received one (1) debriefing request of a competitive bidding event. We addressed this request and answered questions from the supplier. We received no further inquiries.

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

Throughout 2018, our approach was to bring decision-makers to outreach events, allowing for diverse suppliers to immediately connect to those with purchasing authority in Cal Water.

These efforts paid off. For example, in 2018 we contracted an Asian Pacific-owned accounting firm to conduct an annual audit of Cal Water's Health, Pension, and Savings plan.

Similarly, in terms of legal services, 20.3%, or \$126,134.53 of our total expenditures of \$620,072.87, were with diverse suppliers.

We'll continue this approach in 2019, targeting specialized outreach events to bring decision-makers.

Community Involvement Spotlight: Rainbow Chamber Silicon Valley | CONNECT:2018



Cal Water representatives from Accounting, Engineering, Procurement, Safety, and Water Quality at the Rainbow Chamber of Commerce Silicon Valley - CONNECT:2018

In an overwhelming show of support for the LGBTBE community, many Cal Water representatives from Accounting, Engineering, Procurement, Safety, and Water Quality attended the Rainbow Chamber Silicon Valley's annual signature event CONNECT:2018 at the San Jose Museum of Art.

CONNECT:2018 was attended by elected officials, major corporations with supplier diversity programs or LGBT employee-resource groups, nonprofit organizations, LGBT-owned businesses and allies, as well as members of the community.

Hosted at the San Jose Museum of Art in San Jose, CONNECT:2018 featured appetizers by Catered Too! Attendees had the opportunity to visit the galleries featuring exhibitions by artists Won Ju Lim, Dinh Q. Lê, and others.

We're proud of our partnership with the Rainbow Chamber of Commerce Silicon Valley and look forward to a continued collaboration to further advance Cal Water's Supplier Diversity Program.

2019 ANNUAL PLAN

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

In 2019, 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.

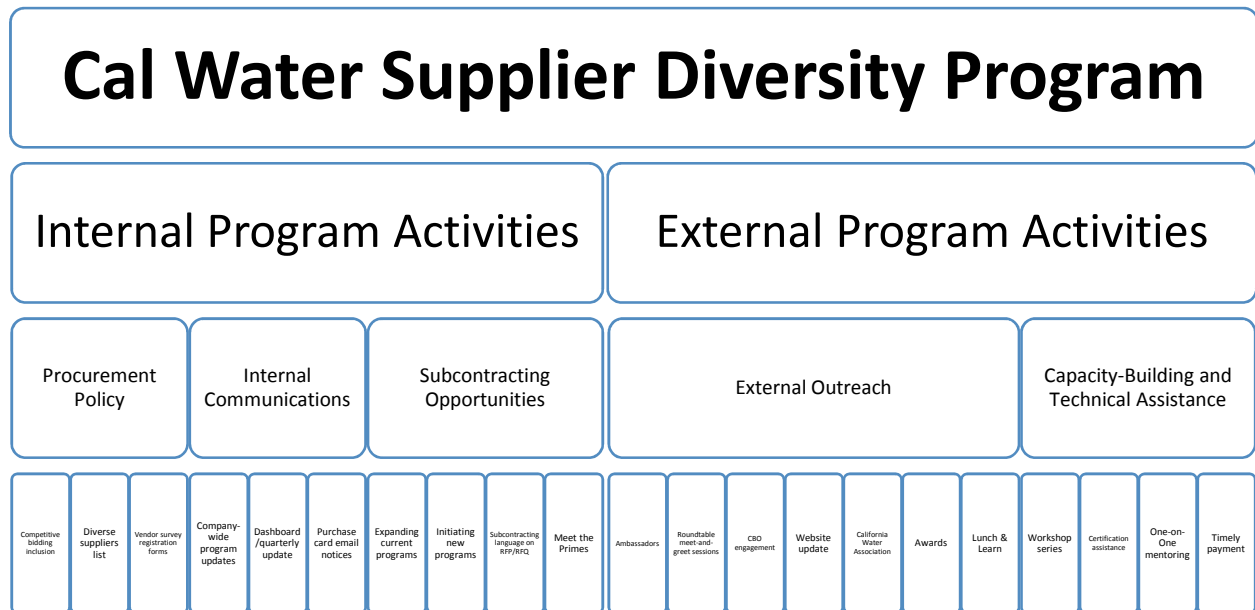
Category	Results	Short-Term Goals	Mid-Term Goals	Long-Term Goals
Minority Men	13.93%	12.00%	12.00%	12.00%
Minority Women	1.10%	3.00%	3.00%	3.00%
Minority Business Enterprise (MBE)	15.03%	15.00%	15.00%	15.00%
Women Business Enterprise (WBE)	3.73%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)	0.08%	N/A	N/A	N/A
Disabled-Veteran Business Enterprise (DVBE)	0.28%	1.50%	1.50%	1.50%
TOTAL WMDVLGBTBE	19.12%	21.50%	21.50%	21.50%

10.1.2 Description of WMDVLGBTBE Planned Program Activities

A successful supplier diversity program has highlighted the importance of diversity to Cal Water.

Following that success, as an organization, we have established a goal to build a diverse corporate culture, embracing a climate of inclusion through our workforce. We are initiating such efforts through a series of workshops to further define that vision and charter a roadmap.

In terms of supplier diversity, we continue enhancing our framework to reflect our program’s evolution:



Internal Program Activities

Procurement Policy

Our procurement policy’s inclusion clause will remain in place for 2019, as this has proven an effective method for increasing diverse supplier participation.

We'll continue expanding our diverse supplier list to include relevant information such as contractors' license number and type, as well as product/service keywords. This information supports project managers sourcing for diverse suppliers.

Our Vendor Information Form is key for us to survey our supplier base; we'll continue reviewing it to ensure it remains relevant.

Internal Communications

Keeping our internal stakeholders informed is critical to our program. We aim to keeping supplier success stories, our supplier diversity quarterly index, and other developments at the forefront for our employees.

Finally, we'll continue our efforts in making those small acquisitions with diverse suppliers more visible through our e-mail notices.

Subcontracting Opportunities

We'll remain engaged with our prime contractors as they're valuable partners to our success.

We look forward to the participation of primes (both new and accomplished) in our 2019 CWA Meet the Primes outreach event, as well as their engagement with the CPUC's Small Business Expo and other relevant forums.

Furthermore, we'll hold our primes accountable in meeting subcontracting goals stipulated in their proposals.

External Program Activities

External Outreach

We'll continue building on our success, engaging our employees (ambassadors) for outreach events.

We aim for our decision-makers to directly interact with diverse suppliers and CBOs. As subject matter experts, they can best determine suppliers' qualification for upcoming projects.

Diverse suppliers benefit from this model by having multiple points of contact within our organization, giving them an enhanced picture of our procurement and available opportunities.

Learning from our first Lunch & Learn session, we look to replicating this event across the state and possibly with other internal groups. We see this as an alternative with a higher return on investment, as defined by diverse supplier connections with buyers.

Following a successful completion of a two-year engagement with the Rainbow Chamber Silicon Valley, we look to increase our engagement through appointments with other CBOs.

We'll continue updating our website, ensuring it contains relevant information (e.g., points of contact, outreach calendar, registration forms) for diverse suppliers.

Our engagement with the California Water Association Supplier Diversity Committee remains a critical avenue for us to share best practices and learn from other regulated water utilities. We'll continue leading the committee to further benefit from this forum.

We'll explore opportunities for further external recognition. These accolades are acknowledgement of our project managers' efforts in opening our supply chain for opportunities.

Capacity-Building and Technical Assistance (CB&TA)

Our program is an effective method to engage diverse suppliers while providing training to make them competitive. As in 2018, we will review our approach and coordinate training to reflect the needs of diverse suppliers.

As we increase our supplier base in 2019, we'll identify those suppliers eligible for a diverse designation, guide them through certification, and connect them with other participating utilities.

We look to continue our model for supplier development through one-on-one mentoring as this provided us with success stories in 2018.

Our suppliers' financial health is a priority; we'll remain transparent of our payment practices by reviewing the information on our website and holding training sessions.

10.1.3 Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

As part of our 2019 efforts, we'll explore using our Lunch & Learn model in different industries. We're seeing positive results from our initial session in 2018 and look to replicate them in the upcoming year.

10.1.4 Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

We'll address this challenge by expanding our outreach to those suppliers that are eligible, but not certified with the Supplier Clearinghouse. We're hoping to find viable contractors to augment our program.

10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

Our primes remain committed to the program. In the upcoming year, we'll continue holding them accountable through their reporting and outreach event participation.

10.1.6 Plans for Complying with WMDVLGBTBE 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.

Prepared by:

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