

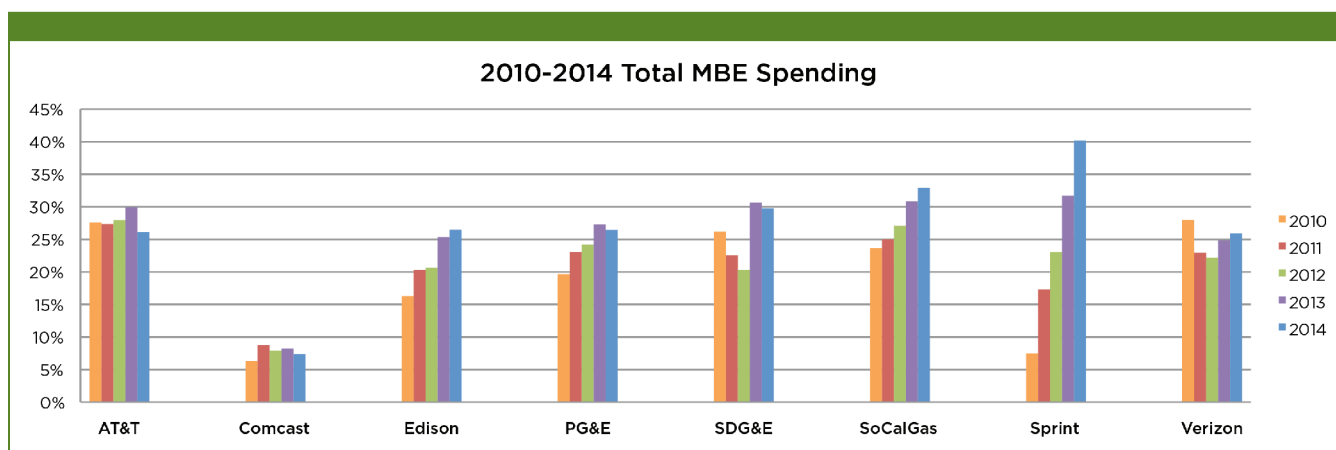
APPENDIX I: GENERAL ORDER 156

The CPUC's Supplier Diversity Program

Recognizing the difficulty that diverse small businesses face in trying to break through “old boy networks” to obtain contracting opportunities with major corporations, the state of California created a landmark supplier diversity program. For over 25 years, the CPUC has recognized the economic significance of supplier diversity in California’s regulated utilities market, and promoted its expansion through General Order 156. Enacted in 1988 pursuant to Public Utilities Code Sections 8281-8286, this order requires the state’s largest regulated energy utility, water and telecommunications companies to annually report their percentages of contracts given to women-, disabled veteran-, and minority-owned business enterprises (collectively, “diverse business enterprises”).

These companies have developed robust supplier diversity programs that remain the national standard. GO 156 has made it state policy to promote the interests of diverse businesses in order to “maintain and strengthen the overall economy of the state.”¹ As the numbers of diverse business enterprises have steadily grown, they have become an essential component of both the regulated utilities market and the wider state economy.

MBE Spending for Companies Which Have Reported Data for the Past Five Years



Greenlining advocates for the adoption of the GO 156 model in a wide variety of industries and circumstances, and believes that doing so will help diverse small businesses and improve America’s economy. For example, in 2012 California’s AB 53 established similar reporting requirements for insurance companies, and in 2013, Greenlining partnered with eight of the largest banks in California to create the first granular, comprehensive report on supplier diversity for the banking industry.

¹ GO 156 (current as of May 2011), Rules Governing the Development of Programs to Increase Participation of Women, Minority and Disabled Veteran Business Enterprises in Procurement of Contracts from Utilities as Required by Public Utilities Code Sections 8281-8286 (Adopted April 27, 1988. Effective May 30, 1988) (D. 88-04-057 in R. 87-02-026).