

2017 ENERGY • TELECOM • WATER • CABLE

SUPPLIER DIVERSITY REPORT CARD

CALIFORNIA'S PUBLIC UTILITIES

Danielle Beavers • Diversity and Inclusion Director

Stephanie Chen • Energy and Telecommunications Policy Director



2017

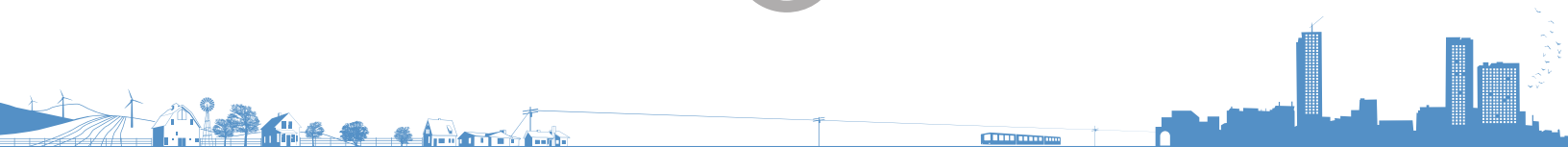
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ACKNOWLEDGEMENTS

About the Greenlining Institute

Founded in 1993, The Greenlining Institute envisions a nation where communities of color thrive and race is never a barrier to economic opportunity. Because people of color will be the majority of our population by 2044, America will prosper only if communities of color prosper. Greenlining advances economic opportunity and empowerment for people of color through advocacy, community and coalition building, research, and leadership development. We work on a variety of major policy issues, from the economy to environmental policy, civic engagement and many others, because economic opportunity doesn't operate in a vacuum. Rather than seeing these issues as being in separate silos, Greenlining views them as interconnected threads in a web of opportunity.

About the Energy and Telecommunications & Technology Policy Teams

The Greenlining Institute's Energy and Telecommunications & Technology policy programs work to ensure that vital services such as electricity, gas, telephone and broadband are accessible to all, that low-income consumers and ratepayers are protected and that race, language or income are never barriers to these essential services.

About the Diversity and Inclusion Team

The Greenlining Institute's Diversity and Inclusion program leads the organization's workforce and supplier diversity advocacy through policy, coalition building, and research. It advances a concerted agenda across our core policy concentrations of Economic Equity, Environmental Equity, Bridges to Health, Energy and Telecommunications, Philanthropy, Insurance, and Technology.

Author Biographies

Danielle Beavers, Director of Diversity and Inclusion

As the Diversity and Inclusion Director, Danielle works to promote job creation for people of color. She leads Greenlining's workforce and supplier diversity advocacy in the banking, environmental, health, technology, insurance, and utility industries. Danielle views diversity as the antidote to redlining in the job market, and works to ensure that anchor institutions and their regulators fully reflect and benefit communities of color. She serves as Vice Chair of the California Department of Insurance's Diversity Task Force and is also a member of the California Utilities Diversity Council, Wells Fargo's Supplier Diversity Advisory Group, and the Small Business Administration's Los Angeles PLUM (Partnership for Lending in Underserved Markets) Market Research Action Group. She first came to Greenlining as the 2012 Community Reinvestment Fellow and received her B.A. from Stanford University in Comparative Studies in Race and Ethnicity with Honors.

Stephanie Chen, Energy and Telecommunications Policy Director

Stephanie directs Greenlining's advocacy in energy and telecommunications policy. She oversees Greenlining's legal counsel at the California Public Utilities Commission and the Federal Communications Commission, who advocate on a wide range of issues impacting underserved consumers and small businesses. Stephanie has litigated several high profile cases impacting billions of dollars in utility rates, winning broad statewide protections for communities of color, low income ratepayers and small business owners. Stephanie serves as Vice President of the Board of Directors for the Conference of California Public Utility Counsel. Stephanie has a B.A. in Government from Dartmouth College and a J.D. from the University of San Francisco School of Law.

Editorial:

Bruce Mirken, Media Relations Director, The Greenlining Institute

Tram Nguyen

Design:

Vandy Ritter Design, San Francisco

Leonna Spilman, Communications Coordinator, The Greenlining Institute

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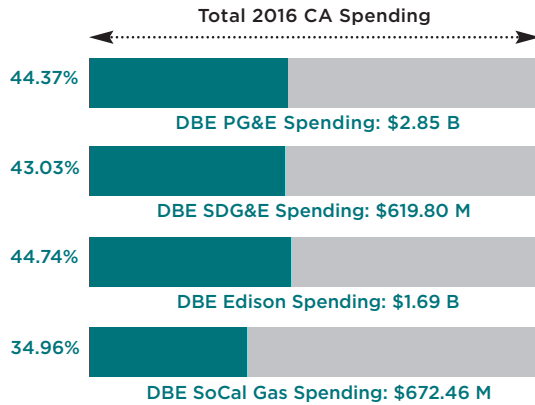
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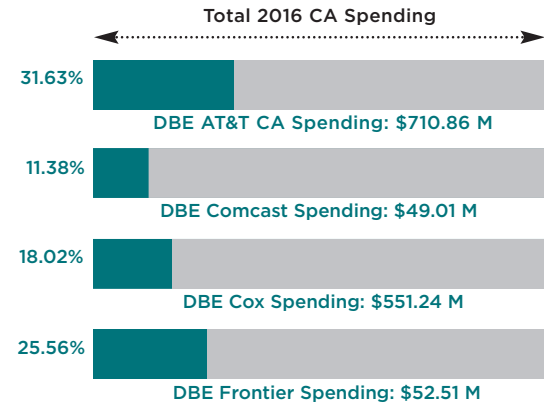
EXECUTIVE SUMMARY

Together, the utilities in this report spent \$32.24 billion in California¹ in 2016

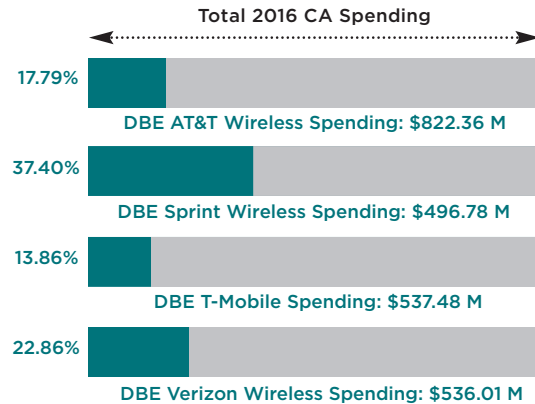
Energy Industry Diverse Spending



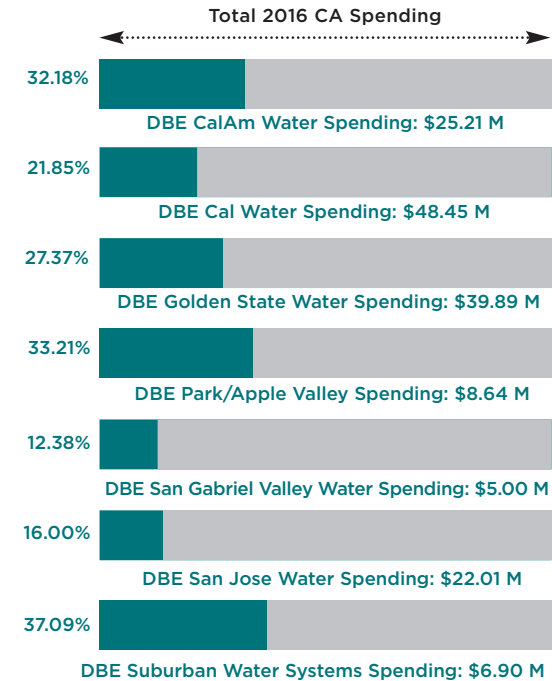
Cable and Telephone Industry Diverse Spending



Wireless Industry Diverse Spending



Water Industry Diverse Spending



¹Data supplied by one company, Cox Communications, was for national totals and not specific to California. We have included Cox's figures in statewide combined totals to avoid underestimating combined California spending, meaning this figure is a slight overestimate.

Supplier Diversity Infrastructure

Together, the utilities in this report:

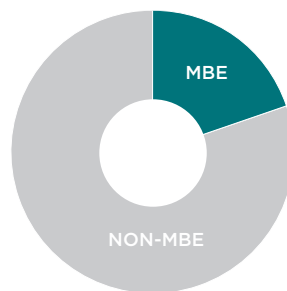
- Operated formal supplier diversity programs for **320 years**
- Contracted with **978 diverse suppliers** in 2016
- Invested **\$11,845,590** in operating supplier diversity programs this year
- Dedicated **78 full-time staff** to supplier diversity
- Supported **368 champions** in their companies to support supplier diversity

Minority Businesses

Together, the utilities in this report spent **\$6.38 B** with MBEs or 19.73%

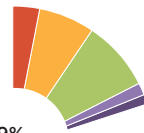
All Utilities in this Report Includes:

- Non-MBE 80.27%
- MBE 19.73%



MBE Includes:

- African American 16.69%
- Latino/a 40.03%
- Asian American 32.91%
- Native American 5.72%
- Other 4.63%

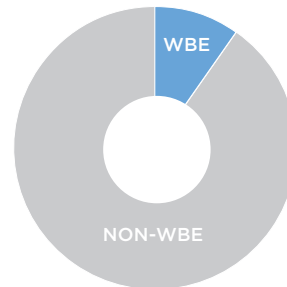


Women Businesses

Together, the utilities in this report spent **\$2.84 B** with WBEs

All Utilities in this Report Includes:

- Non-WBE 91.22%
- WBE 8.78%

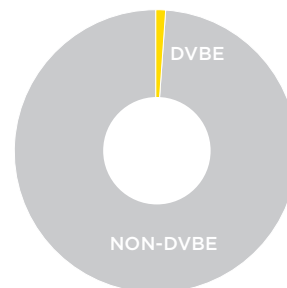


Disabled Veteran Businesses

Together, the utilities in this report spent **\$431.51 M** with DVBEs

All Utilities in this Report Includes:

- Non-DVBE 98.67%
- DVBE 1.33%



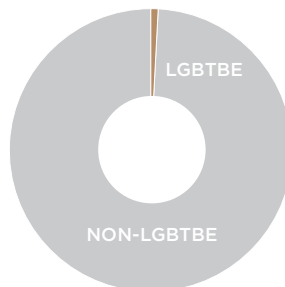
LGBT Businesses

Together, the utilities in this report spent **\$41.07 M** with LGBTBEs

All Utilities in this Report Includes:

■ Non-LGBTBE 98.87%

■ LGBTBE 0.13%



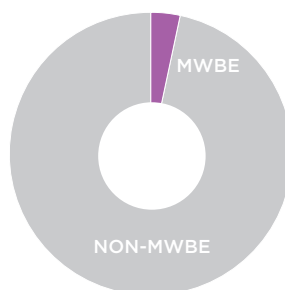
Women of Color Businesses

Together, the utilities in this report spent **\$1.10 B** with MWBEs

All Utilities in this Report Includes:

■ Non-MWBEs 96.60%

■ MWBE 3.40%



GLOSSARY OF TERMS

DBE Diverse Business Enterprise includes minority, women, disabled veteran, and Lesbian, Gay, Bisexual, and/or Transgender- owned

MBE Minority-Owned Business Enterprise. MBEs have at least 51 percent ownership by ethnic/racial minorities. The MBE category includes businesses owned by African Americans, Latino/as, Asian Americans, and Native Americans.

WBE Women Business Enterprise

DVBE Service Disabled Veteran Business Enterprise

MWBE Minority Women-Owned Business Enterprise

LGBTBE Lesbian, Gay, Bisexual, and/or Transgender Business Enterprise

INTRODUCTION

From accounting to paperclips, corporations annually spend millions of dollars contracting outside goods and services. These contract dollars create economic ripples that promote business growth, job creation, and drive market innovation. Supplier diversity, the practice of contracting with businesses owned by historically marginalized communities, capitalizes on the impact of corporate spending and its ability to promote economic development.

California's utility (telecommunications, energy, cable, wireless, and, most recently, water) industry has served as the national "gold standard" on supplier diversity for over 30 years. This report analyzes these companies' spending with minority-, women-, disabled veteran-, and LGBT-owned businesses in 2016.

Why Supplier Diversity Matters

At its core, supplier diversity is about creating and sustaining jobs. The 2007 financial crisis clearly demonstrated that jobs form the backbone of our society and one's ability to pursue their own version of the American Dream. Unfortunately, not all communities face an equal playing field in obtaining jobs. The data are clear; "good old boy networks" still very much exist in this nation, resulting in a concentration of wealth that puts people of color, women, disabled veterans, and the LGBT community at an economic disadvantage.

Proactive practices like supplier diversity are essential to rectifying economic inequality. Diverse-owned businesses predominately operate as small businesses, are more likely to hire locally, and to employ those that share their own background. They serve as powerful economic conduits to the communities of color that form the nation's emerging majority and corporations' consumer base.

A Model that Works: GO 156

In 1988, then-Assemblymember Gwen Moore authored groundbreaking legislation declaring that, in order for California's competitive market economy to work as intended, minority-owned and women-owned businesses must have equal opportunity to participate. Finding that the market did not, in fact, provide equal opportunities, the legislation created a program at the

California Public Utilities Commission that is simple in design but highly significant in impact. We know this program today as General Order (GO) 156, after the CPUC regulation implementing it. In 1992, the legislature expanded GO 156 to include service disabled veteran-owned businesses. In 2015, it was further expanded to include LGBT-owned businesses.

GO 156 does not require any quotas or set-asides, nor does it require companies to make a bad business decision in order to use a diverse supplier. It simply requires good faith efforts and transparency. When

When combined with attentive, engaged leadership at the CPUC, these basic policy tools have increased utilities' contract dollars awarded to minority and women businesses from \$2.6 million in 1986 to \$8.8 billion in 2016.

combined with attentive, engaged leadership at the CPUC, these basic policy tools have increased utilities' contract dollars awarded to minority and women businesses from \$2.6 million in 1986 to \$8.8 billion in 2016. These investments have, in turn, spurred growth in jobs, income, wealth, and tax revenues in diverse communities across California.

Assessment Process:



Greenlining annually evaluates reports filed by companies with the CPUC to better understand how the industry impacts California’s diverse communities. Specifically, we focused on the top 19 companies (four energy, four cable and telephone, four wireless, and seven water), which spent over \$32.34 billion in California² in 2016. Our assessment was based on the following categories:

Performance and Progress

We evaluate and assign a letter grade for each category of diverse spending based on a company’s performance relative to their peers. Grading on a curve means that these grades

reflect relative, and not absolute, performance. Greenlining did not grade against the CPUC goals (21.5 percent of spending with DBEs, 15 percent with MBEs, 5 percent with WBEs, 1.5 percent with DVBes, and no goal yet established for LGBTBEs).

Companies are divided into two groups: the “legacy” utilities include energy, cable and telephone, and wireless companies and the “emerging” utilities that include water companies (which have been under GO 156 regulation since 2009).ⁱ

Companies are divided into two groups: the “legacy” utilities include energy, cable and telephone, and wireless companies and the “emerging” utilities that include water companies (which have been under GO 156 regulation since 2009).ⁱ

² Data supplied by one company, Cox Communications, was for national totals and not specific to California. We have included Cox’s figures in statewide combined totals to avoid underestimating combined California spending, meaning this figure is a slight overestimate.



Number of Suppliers Engaged

Greenlining's analysis also includes, though does not grade, the utilities' number of diverse suppliers. This provides critical context for how dollars—and opportunities—are distributed among suppliers. Typically, a smaller number of suppliers indicates utilities engage established businesses in capital-intensive projects. A larger number of suppliers suggests that utilities work with smaller businesses on peripheral projects.

In evaluating the number of suppliers utilities engaged, it is also critical to include information on the CPUC's Supplier Clearinghouse.ⁱⁱ The Clearinghouse serves a directory of certified, diverse, and small Californian businesses for utilities. As of May 2017, it includes:

- 2,514 minority-owned businesses,
- 2,736 women-owned businesses,
- 1,785 disabled veteran-owned businesses, and
- 105 LGBT-owned businesses.



Infrastructure and Investment

Lastly, Greenlining seeks to gauge the utilities' commitment to and track record in supplier diversity. Our individual company assessments include information on:

- The year companies implemented a formal supplier diversity program,
- Number of full-time staff dedicated to supplier diversity,
- The companies' investment in/cost of the supplier diversity program,
- Five-year track record of diverse spending, and
- Information on formal "Champion Programs," or company initiatives that engage employees outside of supplier diversity and procurement departments to increase business opportunities with diverse suppliers.

Appendix A contains company narratives further describing these programs.

INDIVIDUAL COMPANY RESULTS: ENERGY

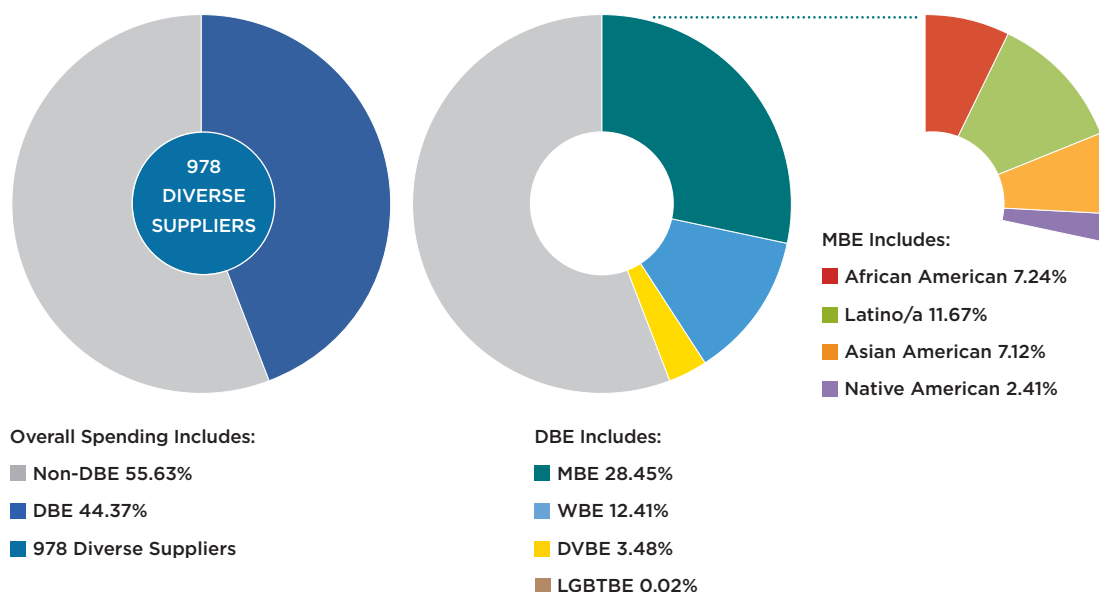
Pacific Gas & Electric Company (PG&E)

Headquarters: San Francisco, CA

Total 2016 California Procurement: \$6,426,644,130

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$2.85 B	44.37%	28.80%	A
All Minority Business Enterprises (MBE)	\$1.83 B	28.45%	19.26%	A-
African American	\$229.94 M	7.24%	3.85%	A-
Latino/a	\$780.18 M	11.67%	7.32%	B
Asian American	\$458.12 M	7.12%	6.81%	B+
Native American	\$154.65 M	2.41%	1.01%	B+
Women of Color	\$531.47 M	8.27%	3.12%	A
Women Business Enterprises (WBE)	\$797.73 M	12.41%	8.30%	B+
Disabled Veteran Business Enterprises (DVBE)	\$223.88 M	3.48%	1.05%	A
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$1.24 M	0.02%	0.08%	D

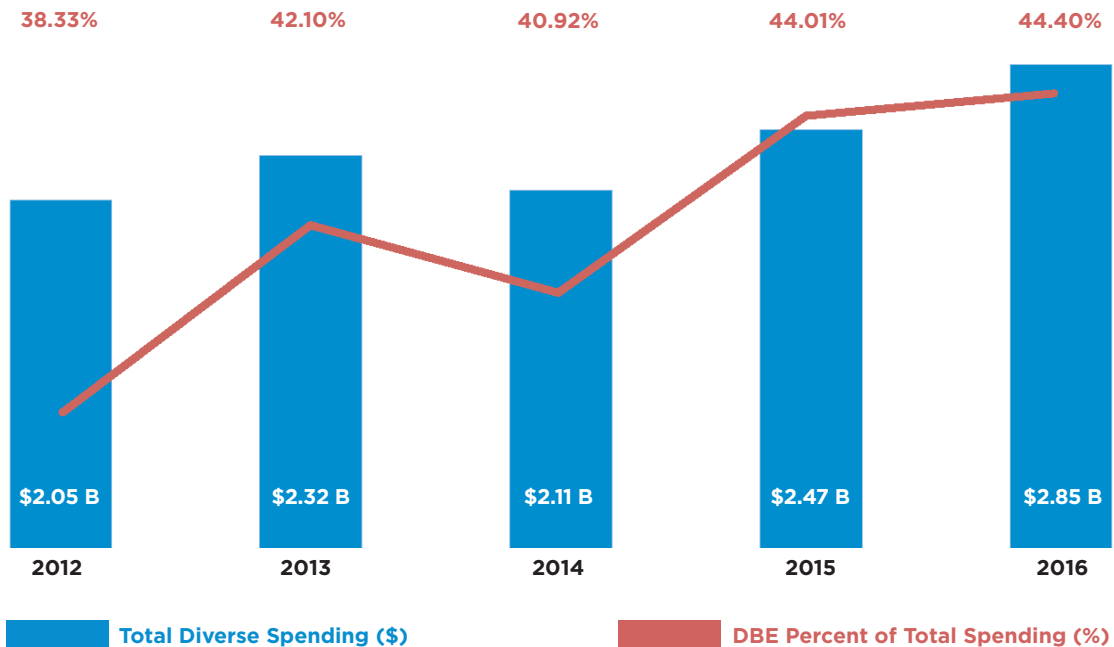
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	1981
Full-time Staff Dedicated to Supplier Diversity	10
Supplier Diversity Program Cost	\$2,933,912
Champion Program	Yes. In 2016 the program had 23 active members.

PG&E continues to lead the utilities in supplier diversity in both performance and dedication to its program. It increased procurement in almost every reporting category between 2015 and 2016, with the exception of African American businesses. This year the company participated in over 65 outreach events and established officer and director level supplier diversity goals for each line of business. Its leading areas of diverse spending include transportation, trucking and warehousing, and wholesale trade of durable goods. PG&E must use its leadership and resources to address disparities observed in the African American and LGBT business communities.

Pacific Gas & Electric Company (PG&E) Five Year DBE Trend



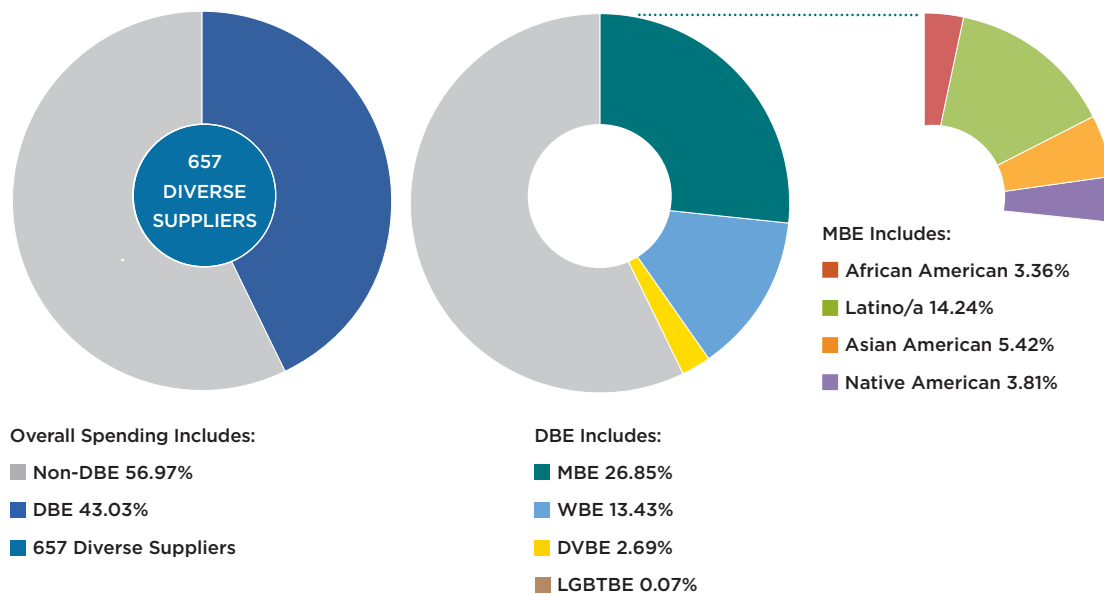
San Diego Gas & Electric (SDG&E)

Headquarters: San Diego, CA

Total 2016 California Procurement: \$1,440,288,240

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$619.80 M	43.03%	28.80%	A
All Minority Business Enterprises (MBE)	\$386.68 M	26.85%	19.26%	A-
African American	\$48.45 M	3.36%	3.85%	C
Latino/a	\$205.12 M	14.24%	7.32%	A
Asian American	\$78.01 M	5.42%	6.81%	C
Native American	\$93.39 M	3.81%	1.01%	A
Women of Color	\$94.18M	6.54%	3.12%	A-
Women Business Enterprises (WBE)	\$193.44 M	13.43%	8.30%	B+
Disabled Veteran Business Enterprises (DVBE)	\$38.74 M	2.69%	1.05%	B
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$937.51 K	0.07%	0.08%	C

Company Overall Spending

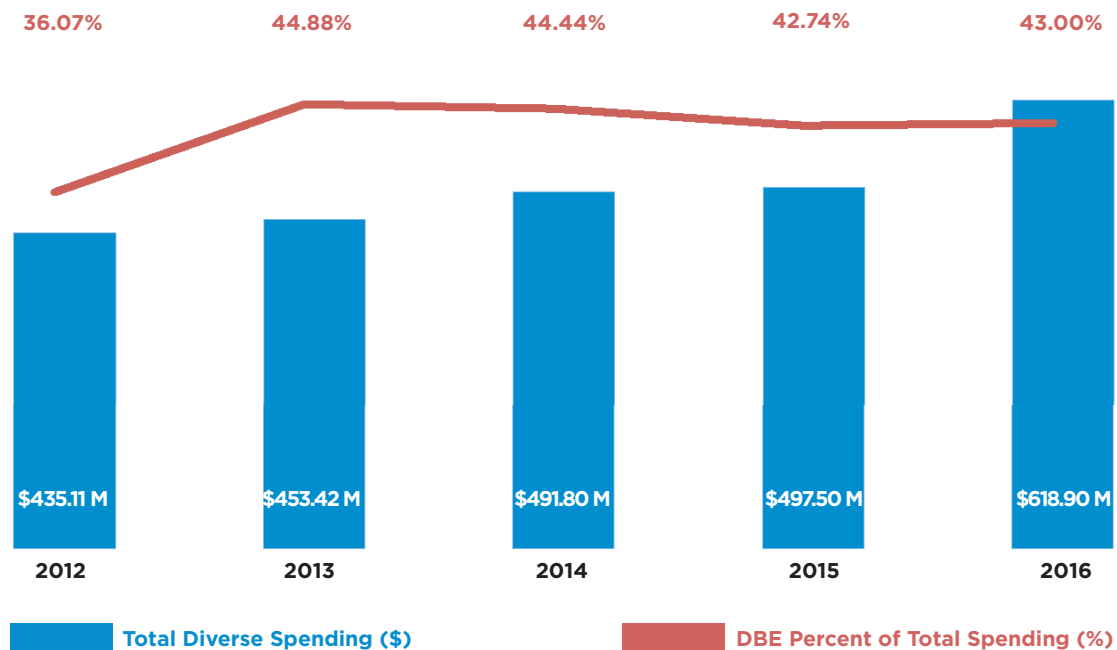


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	1997
Full-time Staff Dedicated to Supplier Diversity	6
Supplier Diversity Program Cost	\$849,000
Champion Program	Yes. In 2016 the program had 120 active members.

SDG&E increased its spending in every category from 2015-2016, and nearly doubled total diverse spending since 2012. Leading categories for diverse spending include mining and quarrying, apparel, petroleum refining, and transportation equipment. In 2016 the company attended 36 outreach events and invested over \$300,000 in technical assistance programs for diverse businesses. The company spent the most with Native American companies.

San Diego Gas & Electric (SDG&E) Five Year DBE Trend



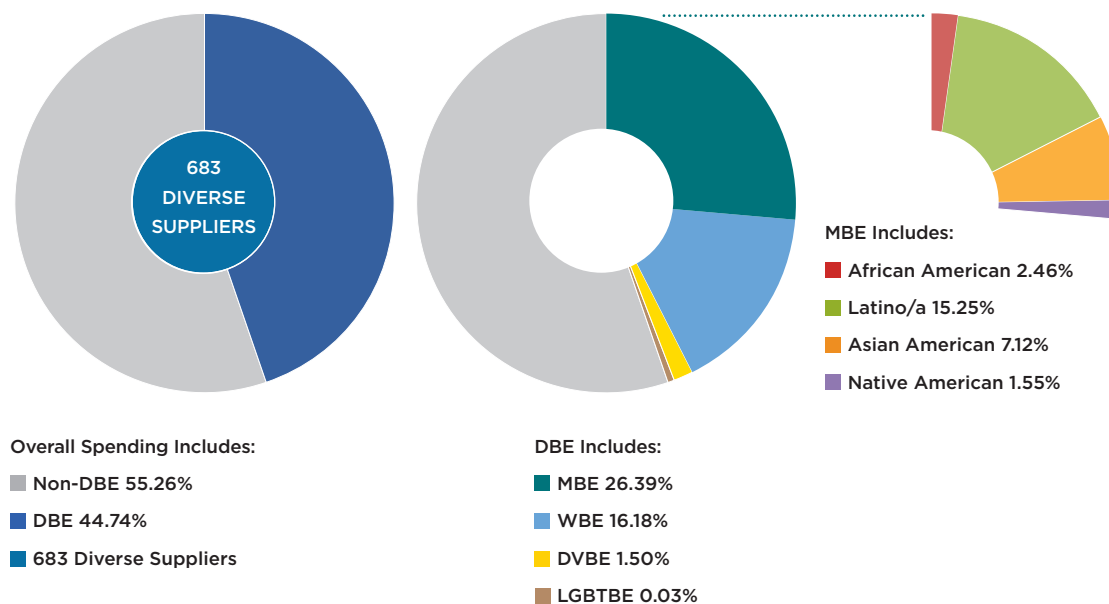
Southern California Edison (Edison)

Headquarters: Rosemead, CA

Total 2016 California Procurement: \$3,766,644,844

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$1.69 B	44.74%	28.80%	A
All Minority Business Enterprises (MBE)	\$994.19 M	26.39%	19.26%	A-
African American	\$92.87 M	2.46%	3.85%	C
Latino/a	\$574.39 M	15.25%	7.32%	A
Asian American	\$268.39 M	7.12%	6.81%	B
Native American	\$58.54 M	1.55%	1.01%	C+
Women of Color	\$131.02 M	3.48%	3.12%	C+
Women Business Enterprises (WBE)	\$633.24 M	16.81%	8.30%	A
Disabled Veteran Business Enterprises (DVBE)	\$56.49 M	1.50%	1.05%	C+
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$1.11 M	0.03%	0.08%	C-

Company Overall Spending

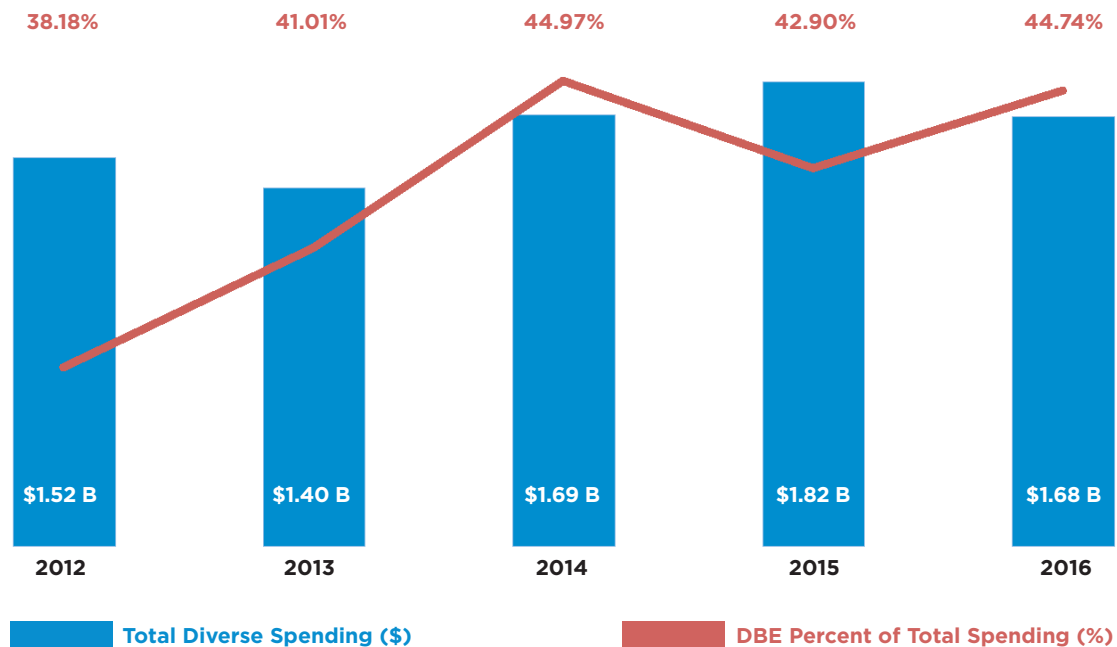


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	1979
Full-time Staff Dedicated to Supplier Diversity	9
Supplier Diversity Program Cost	\$3,282,318
Champion Program	Yes. In 2016 the program had 35 active members.

Edison decreased its overall procurement and spending in nearly every diverse business category, but continued to demonstrate impressive leadership. It has the highest proportional spending (percentage of all dollars spent) for DBEs, Latino/as, and women-owned businesses. In 2016 Edison sponsored and/or supported over 150 outreach events. Its largest areas of diverse spending include apparel, furniture, petroleum, and rubber. We applaud Edison's demonstrated commitment to diverse procurement, even as their overall procurement undergoes a transition.

Southern California Edison (Edison) Five Year DBE Trend



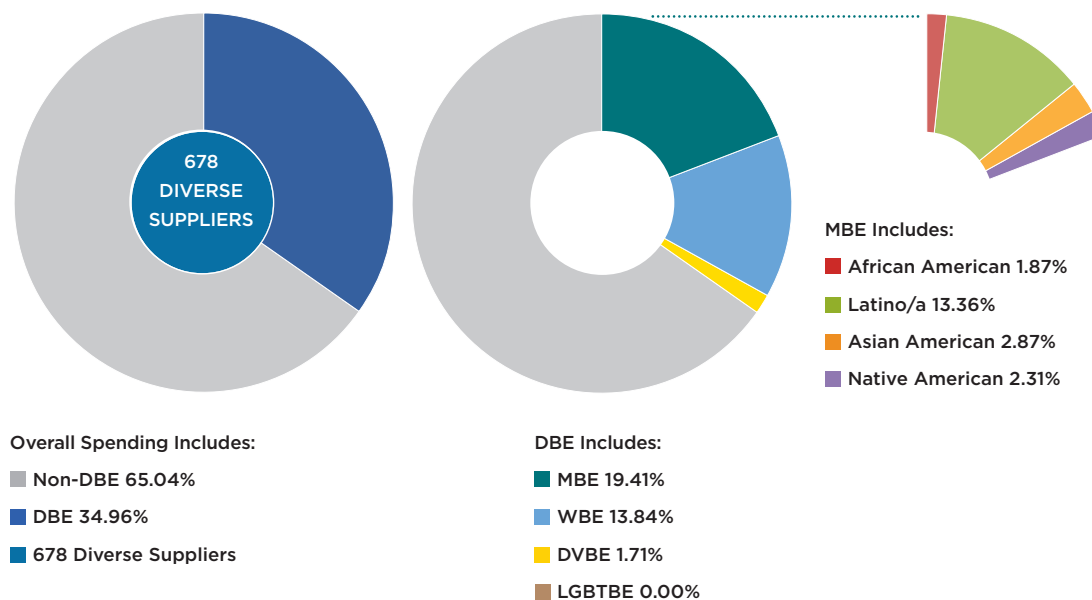
Southern California Gas Company (SoCalGas)

Headquarters: Los Angeles, CA

Total 2016 California Procurement: \$1,923,334,705

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$672.46 M	34.96%	28.80%	B
All Minority Business Enterprises (MBE)	\$373.22 M	19.41%	19.26%	C
African American	\$35.96 M	1.87%	3.85%	D+
Latino/a	\$256.89 M	13.36%	7.32%	A-
Asian American	\$55.11 M	2.87%	6.81%	D
Native American	\$25.26 M	2.31%	1.01%	B+
Women of Color	\$102.09 M	5.31%	3.12%	B
Women Business Enterprises (WBE)	\$266.26 M	13.84%	8.30%	B+
Disabled Veteran Business Enterprises (DVBE)	\$32.93 M	1.71%	1.05%	C+
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$50.34 K	0.00%	0.08%	F

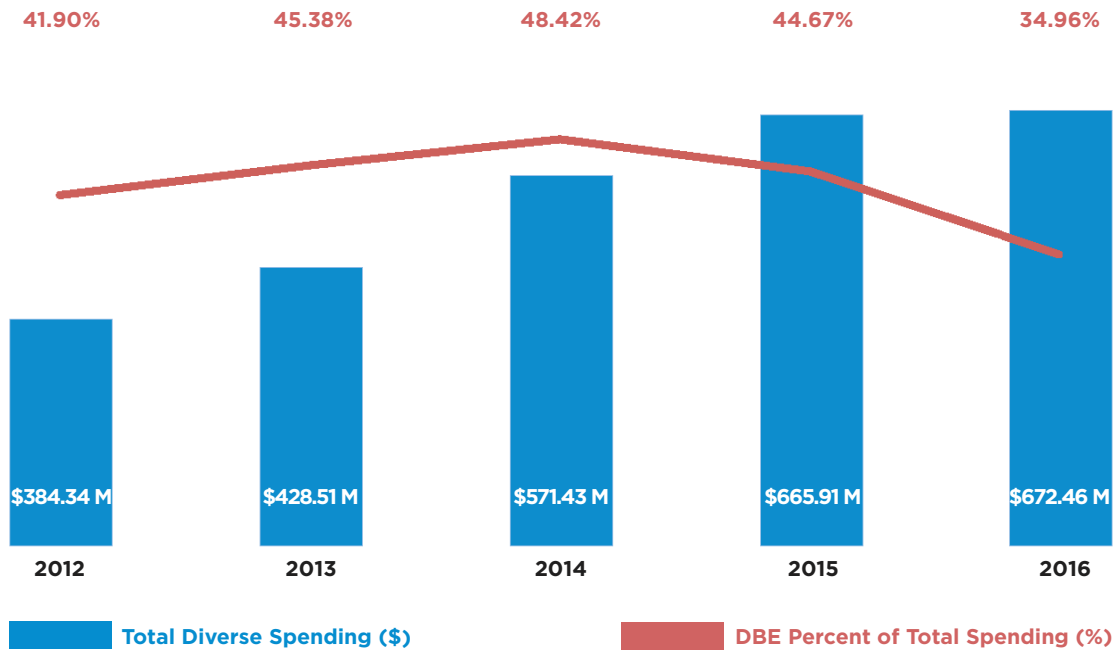
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	1987
Full-time Staff Dedicated to Supplier Diversity	5
Supplier Diversity Program Cost	\$901,000
Champion Program	Yes. In 2016 the program had 23 active members.

SoCalGas increased its overall spending with DBEs but experienced a significant decrease—nearly 10 percent—in proportional spending. All categories, with the exception of Native American and women owned businesses, saw a decrease in total dollars. The company's spending is greatly impacted by the Aliso Canyon gas leak that began in October 2015, and resulted in increased spending with non-DBEs. If we excluded spending associated with the leak, its diverse spending would rise to 42 percent. SoCalGas collaborated with nearly 30 organizations to host and attend outreach events. Its largest areas of diverse spending include apparel, paper, transportation equipment, and automotive dealers and gasoline service stations. We urge the company to focus diligently on DBE spending and strategy, particularly as it works to recover from the Aliso Canyon gas leak.

Southern California Gas Company (SoCalGas) Five Year DBE Trend



INDIVIDUAL COMPANY RESULTS: CABLE AND TELEPHONE

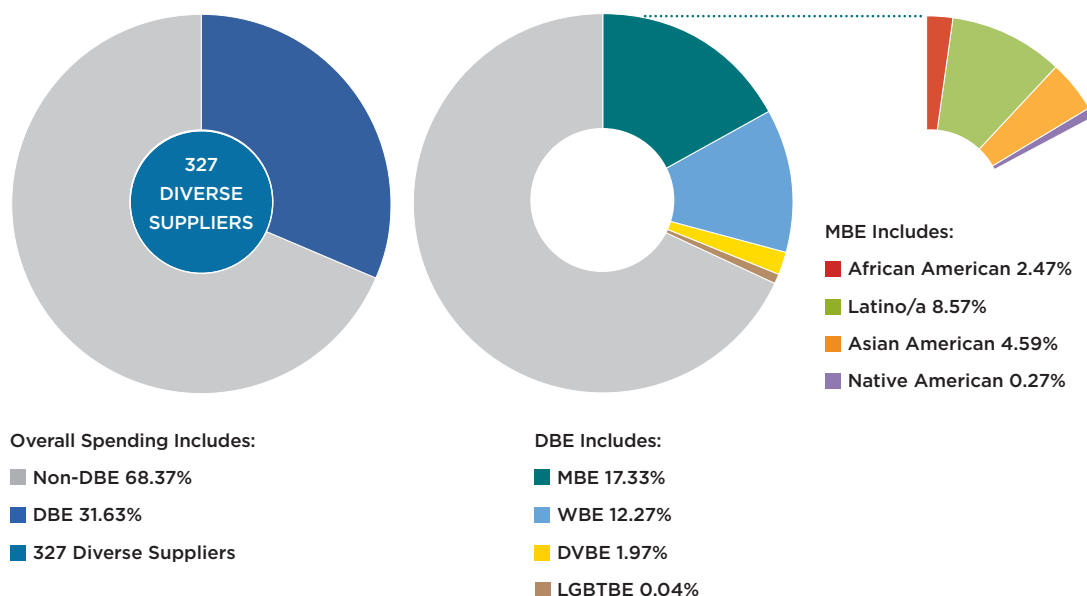
AT&T California (AT&T CA)

Headquarters: Dallas, TX

Total 2016 California Procurement: \$2,247,570,045

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$710.86 M	31.63%	28.80%	B-
All Minority Business Enterprises (MBE)	\$389.58 M	17.33%	19.26%	C
African American	\$55.54 M	2.47%	3.85%	C
Latino/a	\$192.54 M	8.57%	7.32%	B-
Asian American	\$103.13 M	4.59%	6.81%	C-
Native American	\$6.04 M	0.27%	1.01%	F
Women of Color	\$96.04 M	4.27%	3.12%	B-
Women Business Enterprises (WBE)	\$275.74 M	12.27%	8.30%	B+
Disabled Veteran Business Enterprises (DVBE)	\$44.18 M	1.97%	1.05%	B-
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$1.01 M	0.04%	0.08%	C-

Company Overall Spending

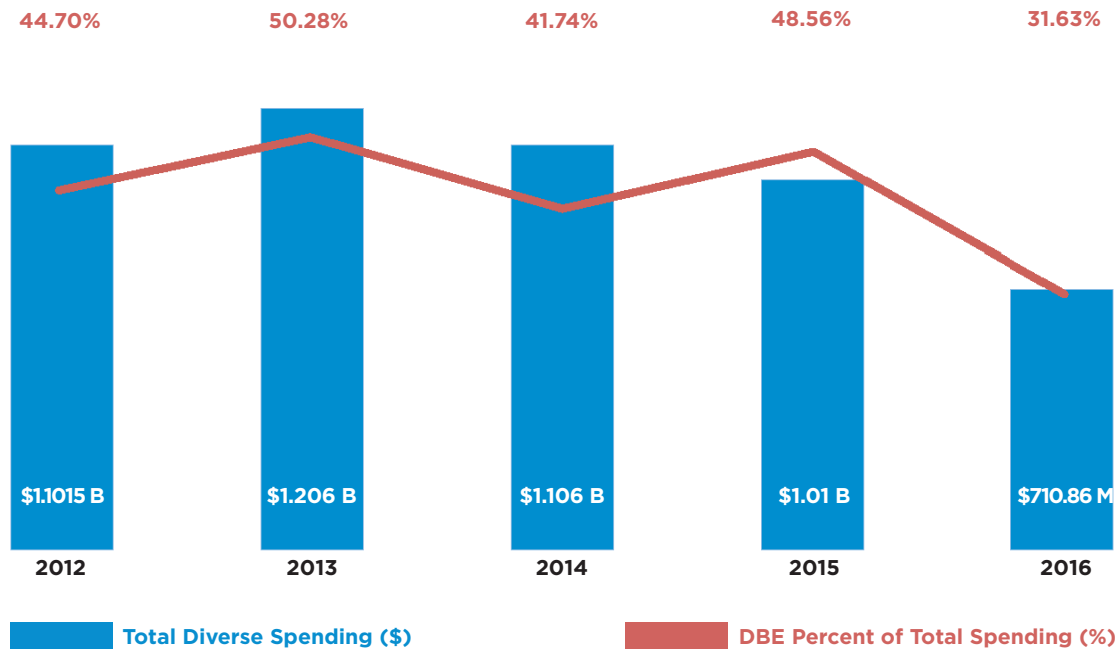


Supplier Diversity Infrastructure and Investment³

Supplier Diversity Program Established	1968
Full-time Staff Dedicated to Supplier Diversity	15
Supplier Diversity Program Cost	\$435,436
Champion Program	Yes. In 2016 the program had 53 active members.

AT&T CA is demonstrating a steep decline in most categories. From 2015 to 2016, the company reduced overall diverse spending by \$288 million, with some sub-categories declining by almost 50 percent. It is critical to note that the AT&T subsidiary acquired DirecTV in 2015, which did not have a supplier diversity program. It must develop a strategy to ensure that its now-larger supply chain recovers from this decline and meets previous thresholds.

AT&T California (AT&T CA) Five Year DBE Trend



³ AT&T California is a subsidiary of AT&T, which does not disaggregate this data on its program. As a result, AT&T California's data is the same as AT&T Wireless, which is also featured in this report.

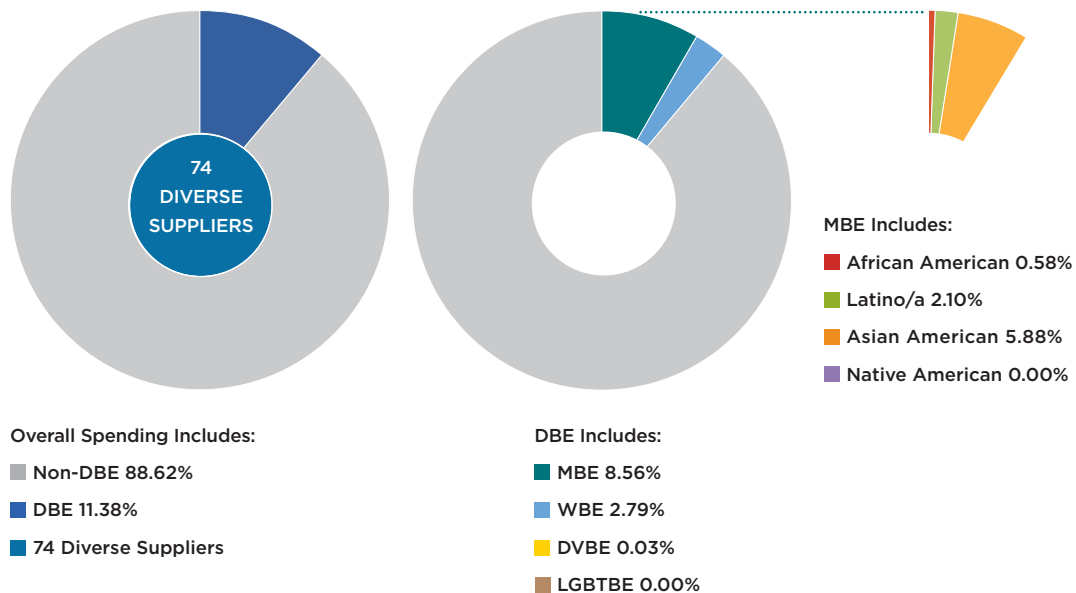
Comcast

Headquarters: Philadelphia, PA

Total 2016 California Procurement: \$430,540,814

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$49.01 M	11.38%	28.80%	D-
All Minority Business Enterprises (MBE)	\$36.85 M	8.56%	19.26%	D
African American	\$2.50 M	0.58%	3.85%	F
Latino/a	\$9.04 M	2.10%	7.32%	D
Asian American	\$25.31 M	5.88%	6.81%	C-
Native American	\$0	0.00%	1.01%	F
Women of Color	\$4.19 M	0.97%	3.12%	F
Women Business Enterprises (WBE)	\$12.03 M	2.79%	8.30%	D-
Disabled Veteran Business Enterprises (DVBE)	\$147.28 K	0.03%	1.05%	F
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$1.17 K	0.00%	0.08%	F

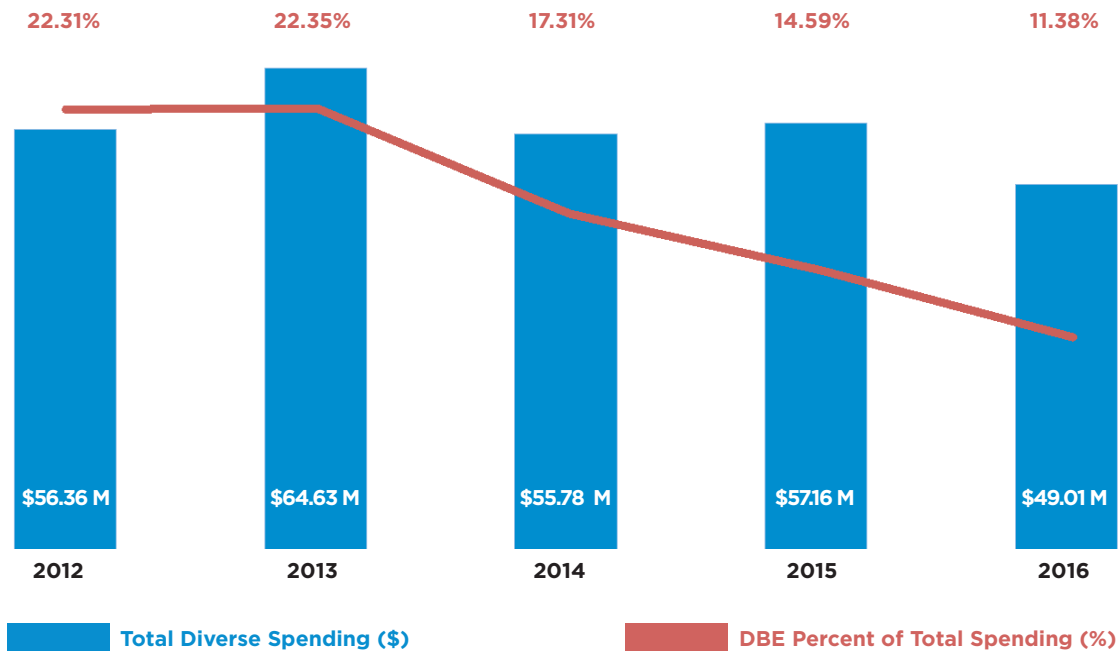
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	2010
Full-time Staff Dedicated to Supplier Diversity	1
Supplier Diversity Program Cost	\$141,363
Champion Program	No

Comcast continues its trend of performing well below the GO 156 voluntary procurement goals (21.5 percent of spending with DBEs, 15 percent with MBEs, 5 percent with WBEs, and 1.5 percent with DVBes). Its largest areas of diverse spending in 2016 were in raw materials, construction, and industrial services. From 2015 to 2016 the company decreased total DBE spending by \$8 million or 3 percent—despite achieving over \$1 billion with these businesses nationallyⁱⁱⁱ. The stark contrast between its California and national spending, and relatively low investment in staff, indicates a lack of commitment to the state's local economies.

Comcast Five Year DBE Trend



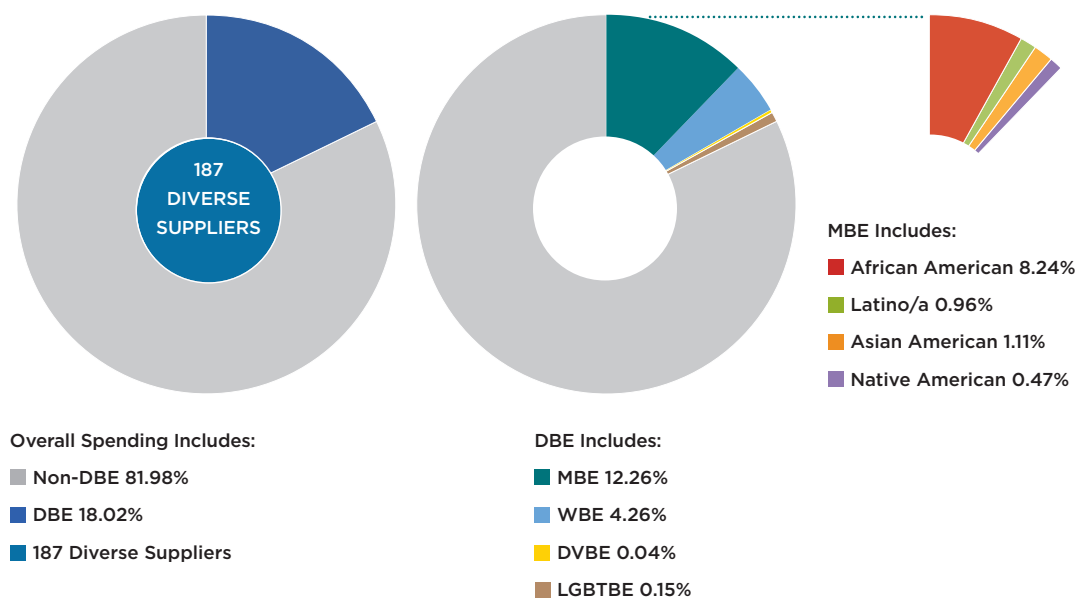
Cox Communications (Cox)

Headquarters: Atlanta, GA

Total 2016 National Procurement: \$3,059,068,224

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$551.24 M	18.02%	28.80%	D+
All Minority Business Enterprises (MBE)	\$375.34 M	12.26%	19.26%	C-
African American	\$252.08 M	8.24%	3.85%	A-
Latino/a	\$29.49 M	0.96%	7.32%	F
Asian American	\$34.10 M	1.11%	6.81%	F
Native American	\$14.32 M	0.47%	1.01%	D
Women of Color	\$7.62 M	0.25%	3.12%	F
Women Business Enterprises (WBE)	\$130.38 M	4.26%	8.30%	D+
Disabled Veteran Business Enterprises (DVBE)	\$1.17 M	0.04%	1.05%	F
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$4.58 M	0.15%	0.08%	A-

Company Overall Spending



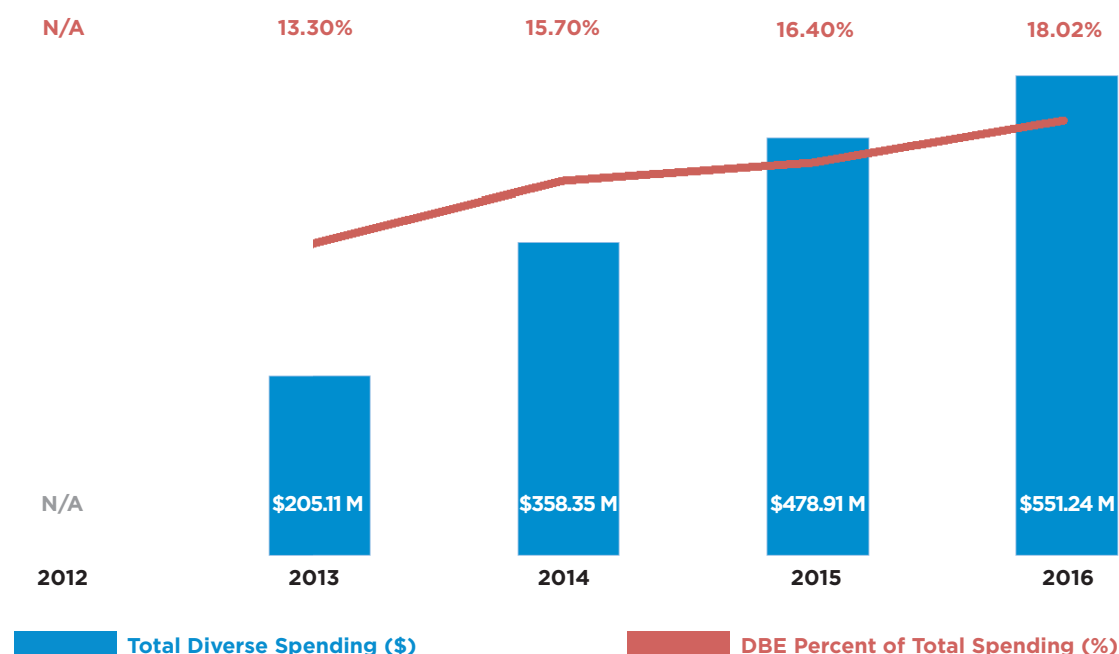
Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	2011
Full-time Staff Dedicated to Supplier Diversity	3
Supplier Diversity Program Cost	Not Supplied ⁴
Champion Program	Yes. In 2016 the program had 20 active members.

Cox's unique procurement structure makes it unlike other companies in this report. Its California subsidiary, Cox California Telecom LLC, does not have spending reportable under GO 156 and relies on its parent company (which is not subject to the regulation) for purchases. Thus, all information provided is for its national supplier diversity program and not specific to California. Still, we believe Cox can and must increase its commitment to supplier diversity. Businesses whose procurement totals for California roughly equal Cox's nationwide totals (such as Edison and AT&T California) spent two or three times what Cox spent with DBEs nationwide.

In 2016 Cox once again fell short of GO 156's goals, but continues to make steady progress. From 2015 to 2016 the company increased overall DBE spending by \$73 million and nearly doubled spending with LGBT businesses. Cox's public report to the CPUC fails to include required information such as the cost of its supplier diversity program, breakout of industry categories, and number of diverse suppliers engaged in its procurement. As a major corporation in California, the company must fully comply with GO 156 and increase transparency around its supplier diversity initiative.

Cox Communications (Cox) Five Year DBE Trend



⁴ Cox Communications does not comply with Section 9.1.3 of GO 156, which requires disclosure of utilities' supplier diversity program expenses.

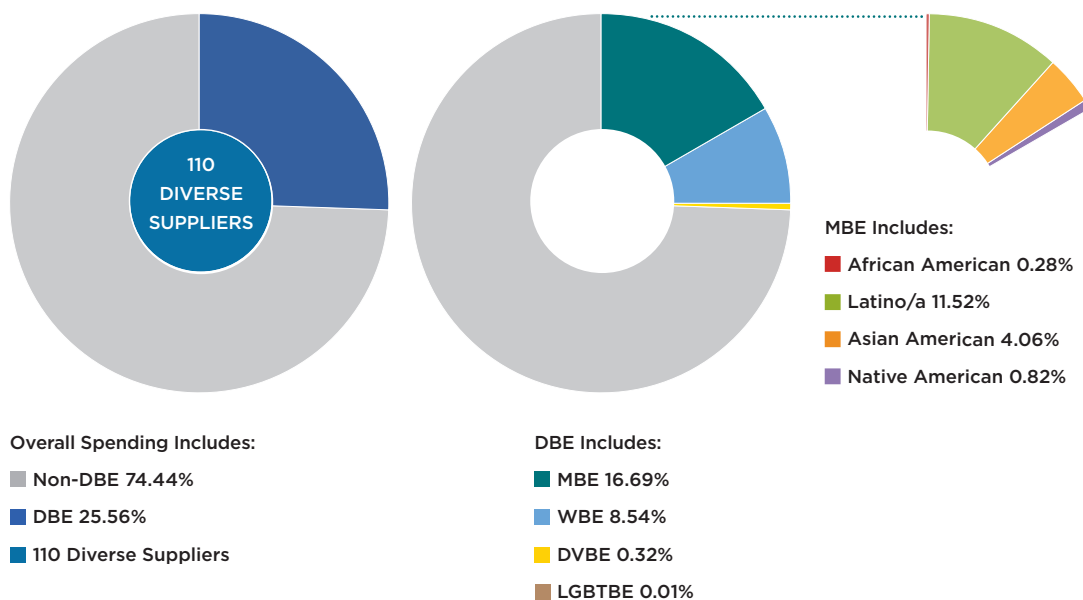
Frontier Communications

Headquarters: Stamford, CT

Total 2016 California Procurement: \$205,425,614

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$52.51 M	25.56%	28.80%	C-
All Minority Business Enterprises (MBE)	\$34.28 M	16.69%	19.26%	C
African American	\$570.94 K	0.28%	3.85%	F
Latino/a	\$23.68 M	11.52%	7.32%	B
Asian American	\$8.35 M	4.06%	6.81%	C-
Native American	\$1.68 M	0.82%	1.01%	D+
Women of Color	\$6.58 M	3.20%	3.12%	C
Women Business Enterprises (WBE)	\$17.54 M	8.54%	8.30%	C
Disabled Veteran Business Enterprises (DVBE)	\$661.97 K	0.32%	1.05%	D-
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$28.57 K	0.01%	0.08%	F

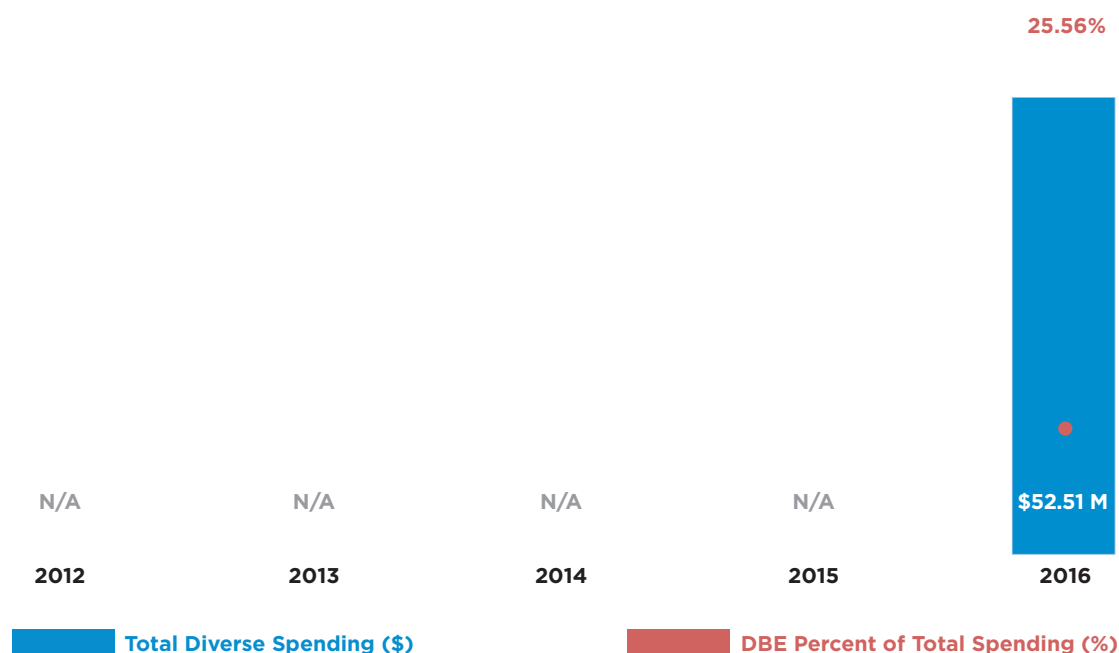
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	2016 ⁵
Full-time Staff Dedicated to Supplier Diversity	4
Supplier Diversity Program Cost	\$890,300
Champion Program	Yes. In 2016 the program had 18 active members.

This reporting year is the first for Frontier since it acquired Verizon California, which achieved 51.23 percent DBE spending in 2015. Before the merger, Frontier achieved just 5.5 percent DBE spending, suggesting that its jump to 22.56 percent in 2016 is more of a result of the merger than the success of an internal effort. In 2016 the company's leading areas of diverse spending included communications, wholesale trade, and business services. Frontier has taken steps over the past year to enhance its supplier diversity systems and increase its outreach to the business community. It must build on Verizon California's established best practices as it expands into California.

Frontier Communications DBE Trend



⁵ Frontier Communications merged with Verizon California in 2016, creating a new supplier diversity program.

INDIVIDUAL COMPANY RESULTS: WIRELESS

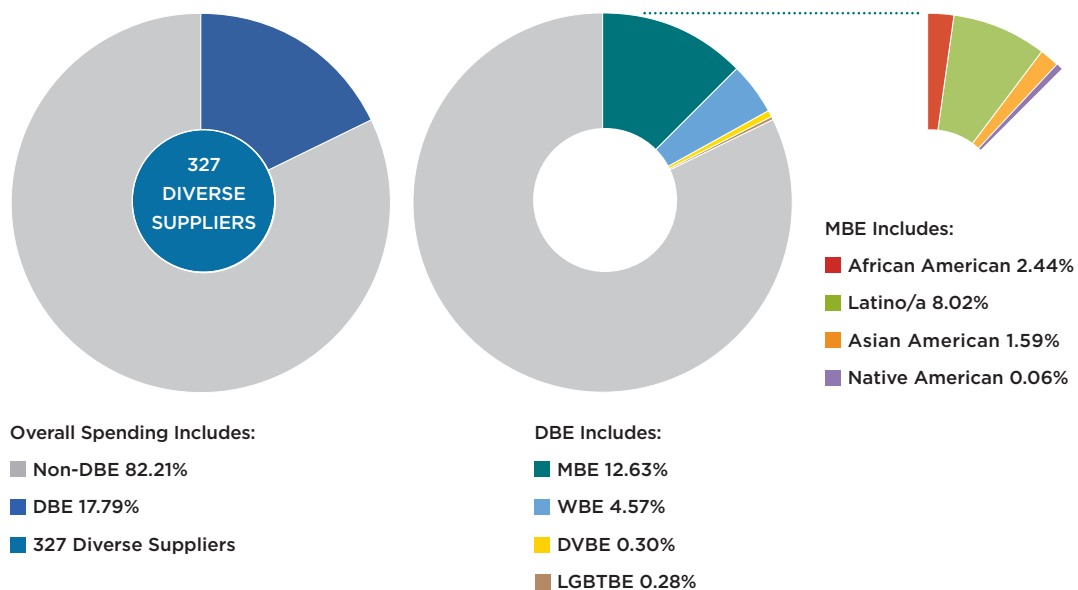
AT&T Wireless

Headquarters: Dallas, TX

Total 2016 California Procurement: \$4,623,757,214

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$822.36 M	17.79%	28.80%	D+
All Minority Business Enterprises (MBE)	\$584.15 M	12.63%	19.26%	C-
African American	\$112.89 M	2.44%	3.85%	C
Latino/a	\$370.69 M	8.02%	7.32%	B-
Asian American	\$73.78 M	1.59%	6.81%	F
Native American	\$2.83 M	0.06%	1.01%	F
Women of Color	\$26.70 M	0.58%	3.12%	F
Women Business Enterprises (WBE)	\$211.25 M	4.57%	8.30%	D+
Disabled Veteran Business Enterprises (DVBE)	\$13.70 M	0.30%	1.05%	D-
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$13.09 M	0.28%	0.08%	A

Company Overall Spending

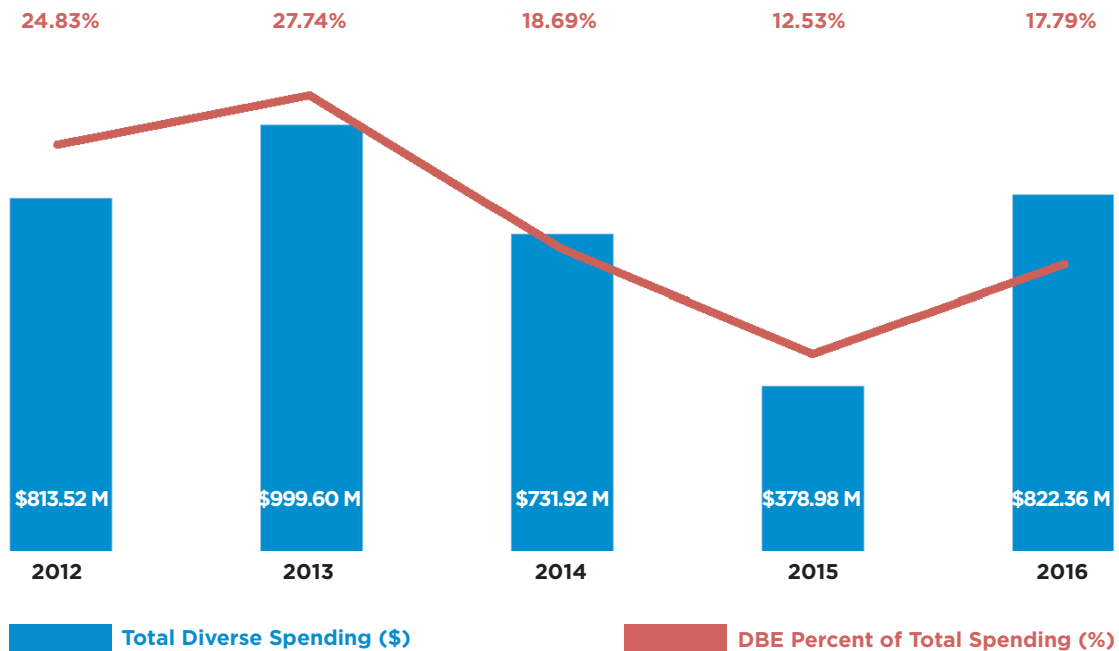


Supplier Diversity Infrastructure and Investment⁶

Supplier Diversity Program Established	1968
Full-time Staff Dedicated to Supplier Diversity	15
Supplier Diversity Program Cost	\$2,933,912
Champion Program	Yes. In 2016 the program had 23 active members.

AT&T Wireless increased its total DBE spending by nearly \$452 million and 5 percent since 2015, though it still falls short of the CPUC's goals in most categories (21.5 percent with DBEs, 15 percent with MBEs, 5 percent with WBEs, and 1.5 percent with DVBes). The company demonstrated best-in-class leadership with LGBTBEs and sets a strong example for its peers. As a subsidiary of the larger AT&T company, it must utilize the proven supplier diversity strategies and resources of its more successful peers.

AT&T Wireless Five Year DBE Trend



⁶ AT&T Wireless is a subsidiary of AT&T, which does not disaggregate this data on its program. As a result, AT&T Wireless's data is the same as AT&T California, which is also featured in this report.

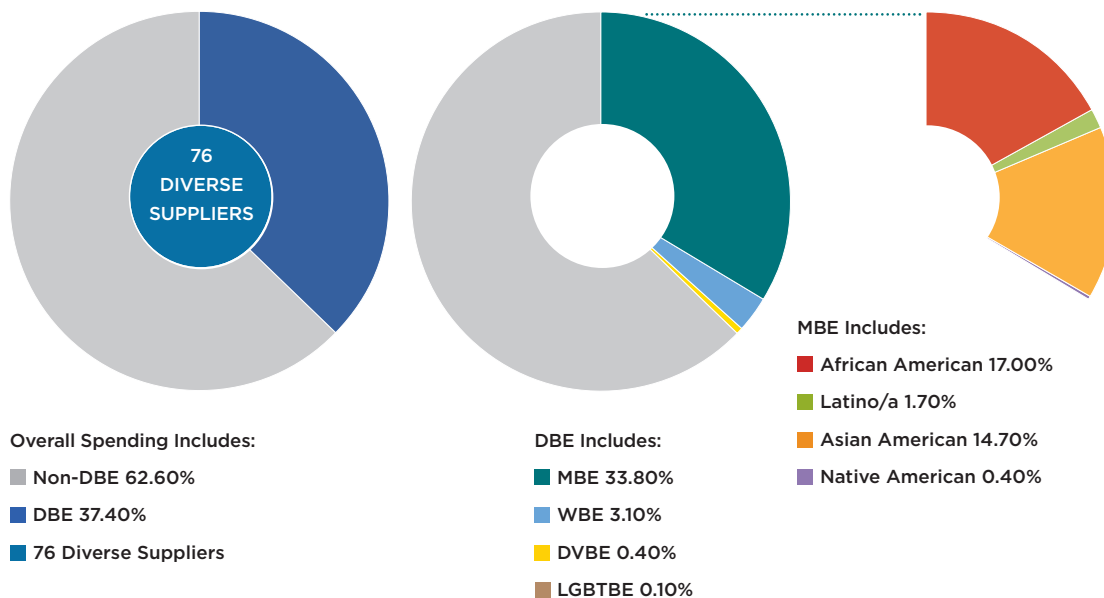
Sprint

Headquarters: Overland Park, KS

Total 2016 California Procurement: \$1,329,437,294

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$496.78 M	37.40%	28.80%	B
All Minority Business Enterprises (MBE)	\$449.24 M	33.80%	19.26%	A
African American	\$225.47 M	17.00%	3.85%	A
Latino/a	\$22.08 M	1.70%	7.32%	D-
Asian American	\$196.55 M	14.70%	6.81%	A
Native American	\$5.14 M	0.40%	1.01%	D-
Women of Color	\$40.95 M	3.10%	3.12%	C
Women Business Enterprises (WBE)	\$41.05 M	3.10%	8.30%	D-
Disabled Veteran Business Enterprises (DVBE)	\$5.44 M	0.40%	1.05%	D
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$1.05 M	0.10%	0.08%	A-

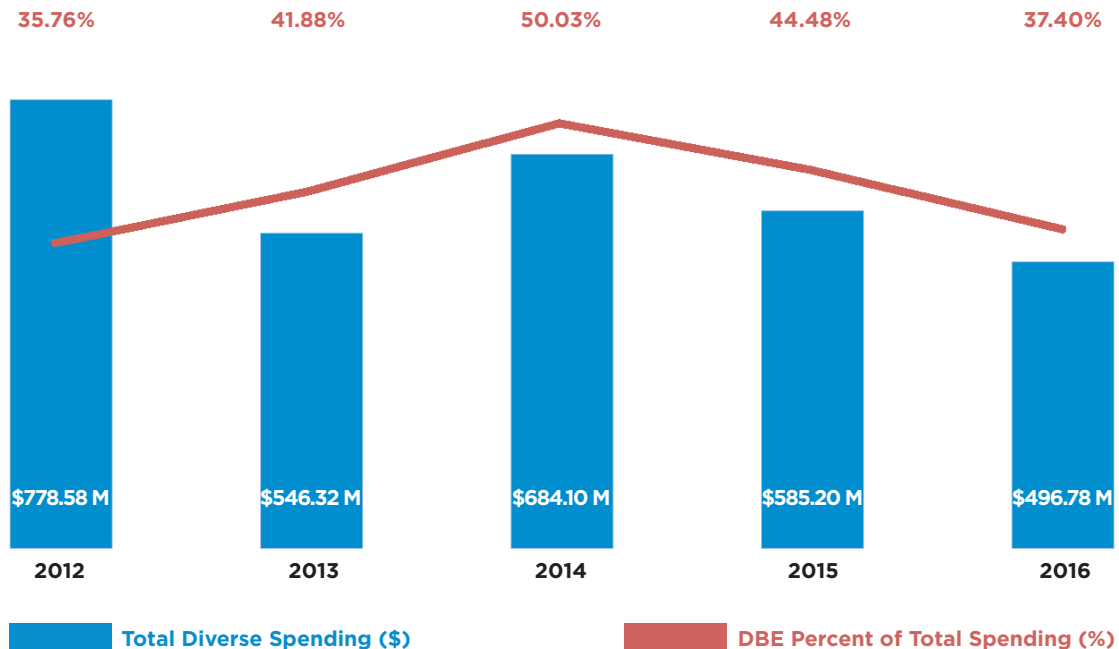
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	1992
Full-time Staff Dedicated to Supplier Diversity	2
Supplier Diversity Program Cost	\$356,295
Champion Program	Yes. In 2016 the program had 8 active members.

Sprint's DBE spending declined by almost \$73 million or 5.81 percent from 2015. Its MBE procurement, particularly with African Americans, sets the gold standard among utilities. Its spending with WBEs and DVBEs, however, falls short of the 5 percent and 1.5 percent CPUC goals and has declined over the past few years. The company did the majority of its DBE spending in electronic equipment and components and business services. Given its long history of supplier diversity, we urge Sprint to devise WBE and DVBE- specific strategies and increase its presence in California.

Sprint Five Year DBE Trend



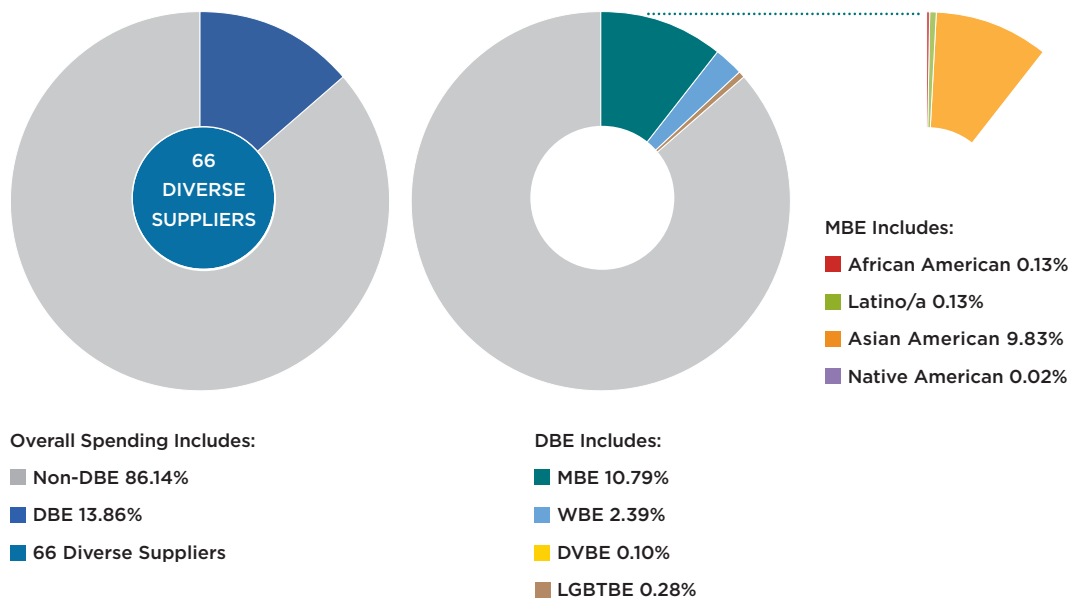
T-Mobile

Headquarters: Seattle, WA

Total 2016 California Procurement: \$3,877,768,984

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$537.48 M	13.86%	28.80%	D
All Minority Business Enterprises (MBE)	\$418.22 M	10.79%	19.26%	C-
African American	\$5.05 M	0.13%	3.85%	F
Latino/a	\$4.91 M	0.13%	7.32%	F
Asian American	\$381.19 M	9.83%	6.81%	A-
Native American	\$818.88 K	0.02%	1.01%	F
Women of Color	\$26.23 M	0.68%	3.12%	F
Women Business Enterprises (WBE)	\$104.29 M	2.69%	8.30%	F
Disabled Veteran Business Enterprises (DVBE)	\$3.98 M	0.10%	1.05%	F
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$10.98 M	0.28%	0.08%	A

Company Overall Spending

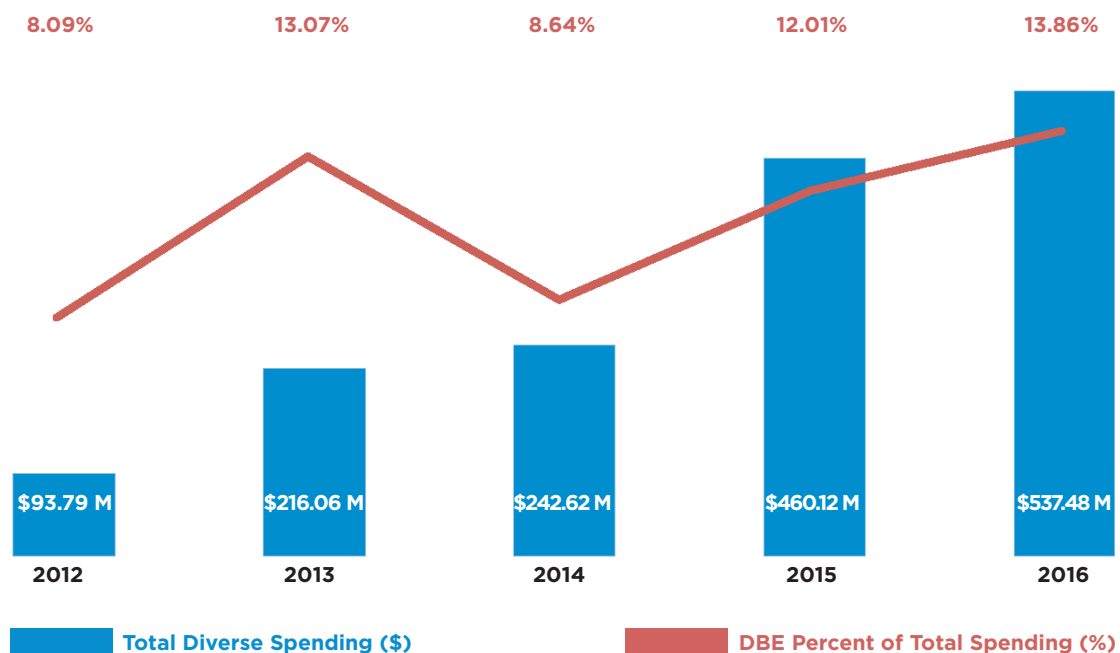


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	2009
Full-time Staff Dedicated to Supplier Diversity	1
Supplier Diversity Program Cost	\$598,100
Champion Program	No

T-Mobile continues to steadily increase in every category of diverse spending, though it still remains below the GO 156 goals (21.5 percent with DBEs, 15 percent with MBEs, 5 percent WBEs, and 1.5 percent DVBes). T-Mobile achieved an impressive \$10.98 million, or 0.28 percent, with LGBT businesses. In 2016 the company increased its supplier diversity infrastructure by developing a website, creating its own database, and launching online trainings for suppliers. Its leading areas of diverse spending include the wholesale trade of durable goods and miscellaneous repair services. T-Mobile must continue to grow its diverse spending to reach the GO 156 goals and join its competitors.

T-Mobile Five Year DBE Trend



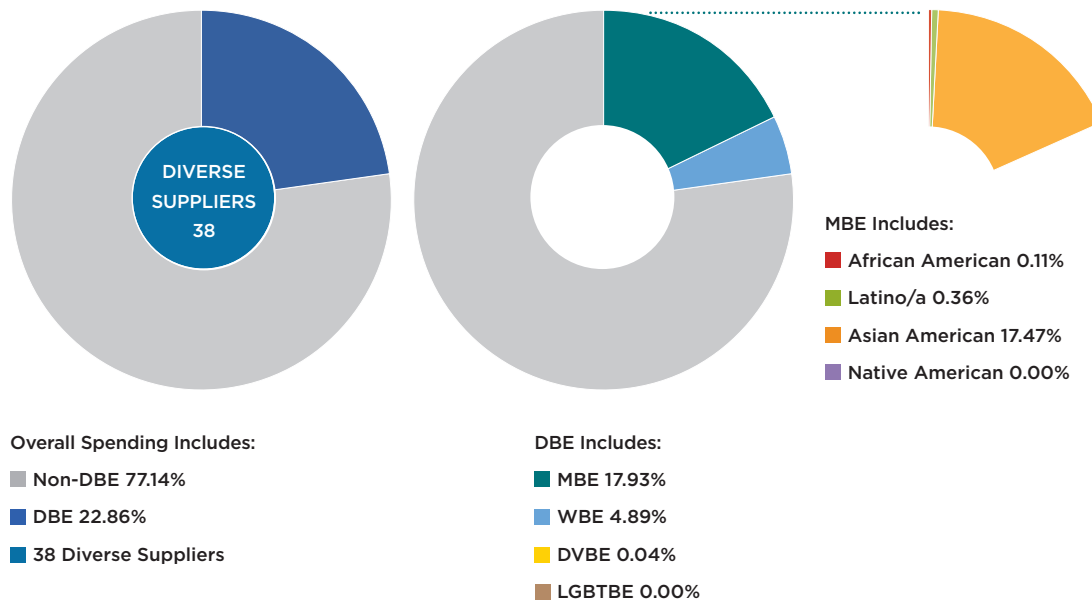
Verizon Wireless

Headquarters: Basking Ridge, NJ

Total 2016 California Procurement: \$2,344,685,749

Category	Spend	Percentage	Legacy Average	Grade
All Diverse Business Enterprises (DBE)	\$536.01 M	22.86%	28.80%	C-
All Minority Business Enterprises (MBE)	\$420.42 M	17.93%	19.26%	C
African American	\$2.43 M	0.11%	3.85%	F
Latino/a	\$8.39 M	0.36%	7.32%	F
Asian American	\$409.54 M	17.47%	6.81%	A
Native American	\$50.91 K	0.00%	1.01%	F
Women of Color	\$17.10 M	0.73%	3.12%	F
Women Business Enterprises (WBE)	\$114.58 M	4.89%	8.30%	D+
Disabled Veteran Business Enterprises (DVBE)	\$1.02 M	0.04%	1.05%	F
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$0	0.00%	0.08%	F

Company Overall Spending

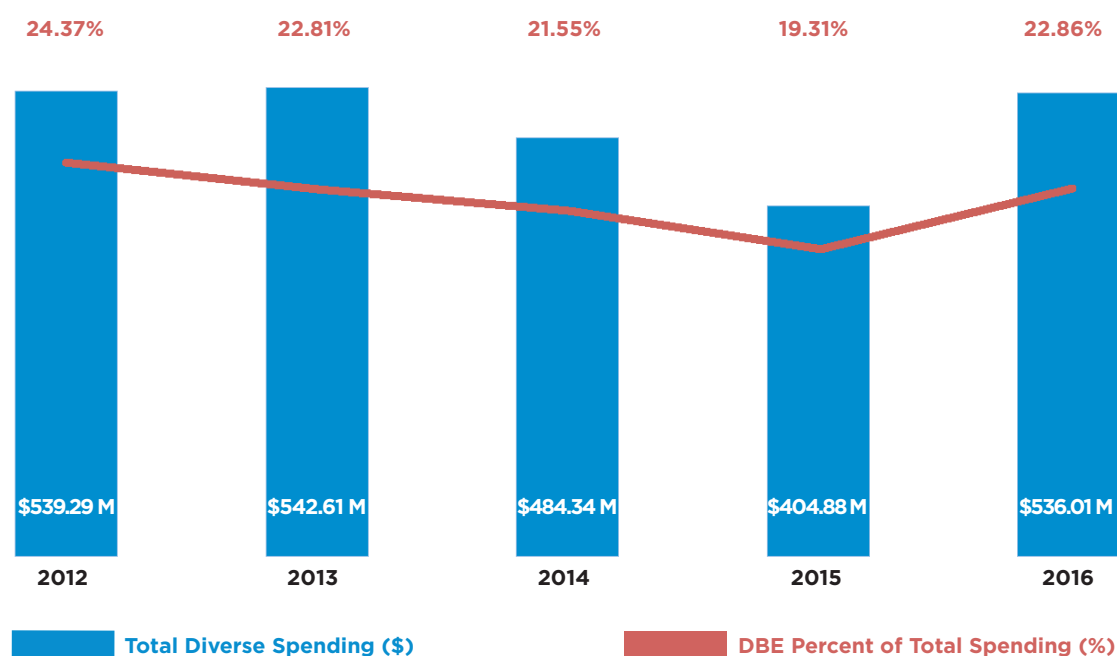


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	1984
Full-time Staff Dedicated to Supplier Diversity	1
Supplier Diversity Program Cost	\$171,155
Champion Program	Yes. In 2016 the program had 20 active members.

Verizon Wireless increased its DBE spending from 2015 to 2016 after a steady downward decline from 2012-2015. Having sold its California landline and FiOS business to Frontier in 2015, Verizon's economic impact in California now comes entirely from its wireless business, and current results leave clear room for improvement. Over 76 percent of its diverse spending comes from one category, Asian and Pacific Islander businesses, and it is the only company in this report to spend zero dollars with LGBT businesses. A stark contrast between its California DBE spending and the \$4.85 billion it achieves on a national level suggests a lack of commitment to the state's diverse economy. In 2016 Verizon's largest areas of diverse spending included heavy construction, wholesale trade of durable goods, and business services. It must devise a state-specific supplier diversity strategy.

Verizon Wireless Five Year DBE Trend



INDIVIDUAL COMPANY RESULTS: WATER

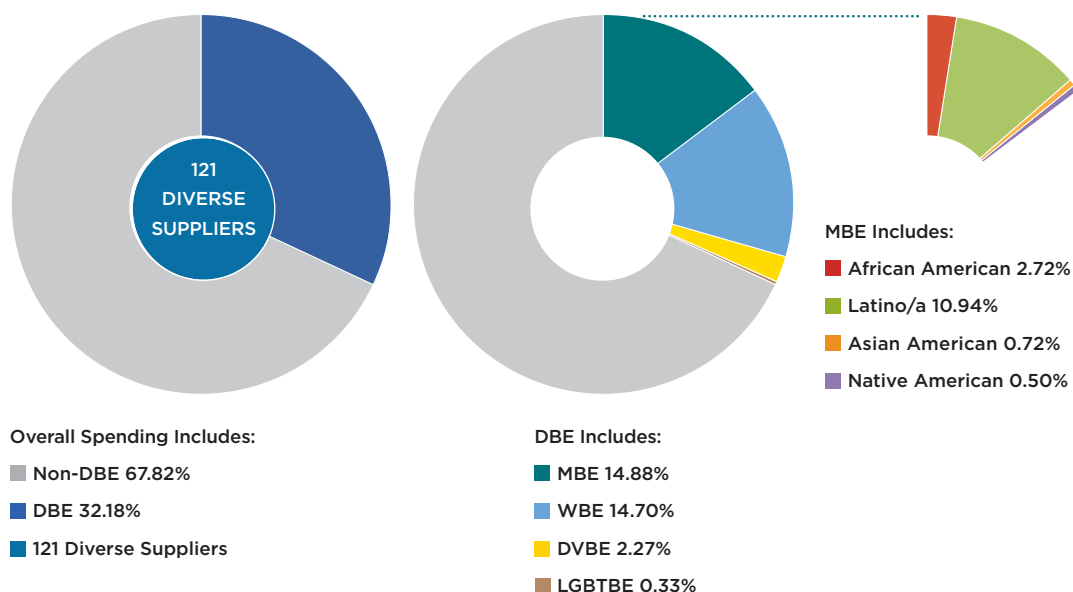
California American Water (CalAm Water)

Headquarters: Coronado, CA

Total 2016 California Procurement: \$78,357,481

Category	Spend	Percentage	Emerging Average	Grade
All Diverse Business Enterprises (DBE)	\$25.21 M	32.18%	25.73%	B
All Minority Business Enterprises (MBE)	\$11.66 M	14.88%	14.89%	C
African American	\$2.12 M	2.72%	0.45%	A
Latino/a	\$8.58 M	10.94%	12.77%	C-
Asian American	\$ 560 K	0.72%	1.37%	D
Native American	\$394.41 K	0.50%	0.30%	A
Women of Color	\$2.54 M	3.24%	1.30%	A
Women Business Enterprises (WBE)	\$11.52 M	14.70%	6.70%	A
Disabled Veteran Business Enterprises (DVBE)	\$1.78 M	2.27%	1.00%	A
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$257.35 K	0.33%	3.13%	F

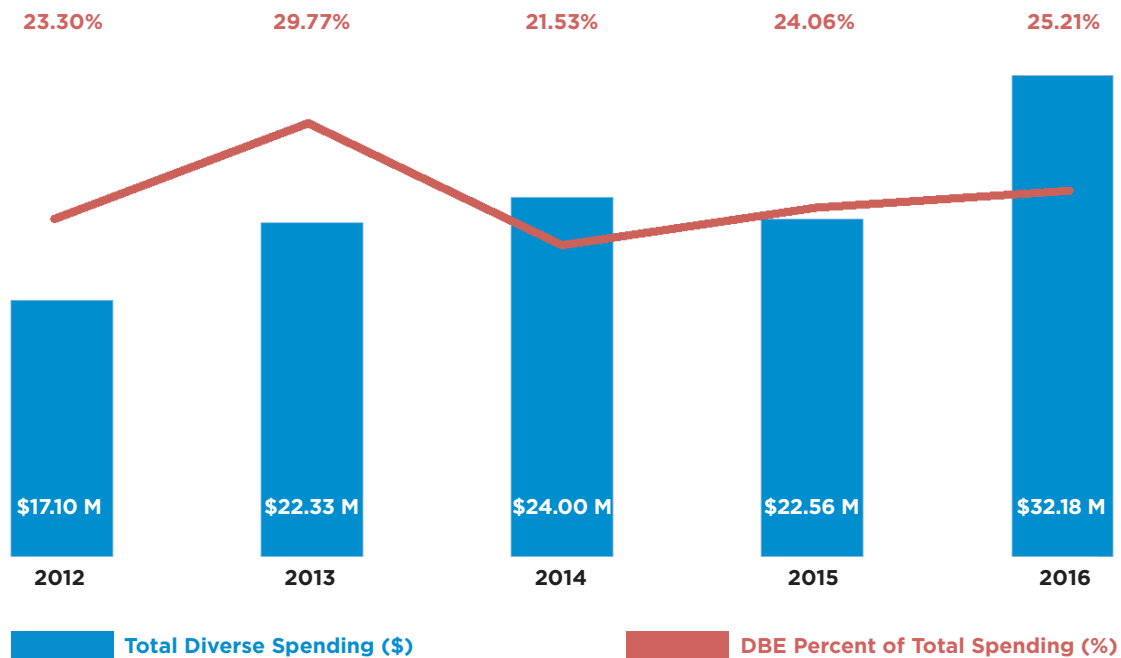
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	2009
Full-time Staff Dedicated to Supplier Diversity	2
Supplier Diversity Program Cost	\$173,304
Champion Program	Yes. In 2016 the program had 6 active members.

CalAm Water continues to steadily grow its supplier diversity spending, increasing by almost \$10 million or 1.15 percent over the last year. Compared against other water companies, the company performed at or above average for most categories, but has considerable room for improvement for Asian and Pacific Islander and LGBT businesses.

California American Water (CalAm Water) Five Year DBE Trend



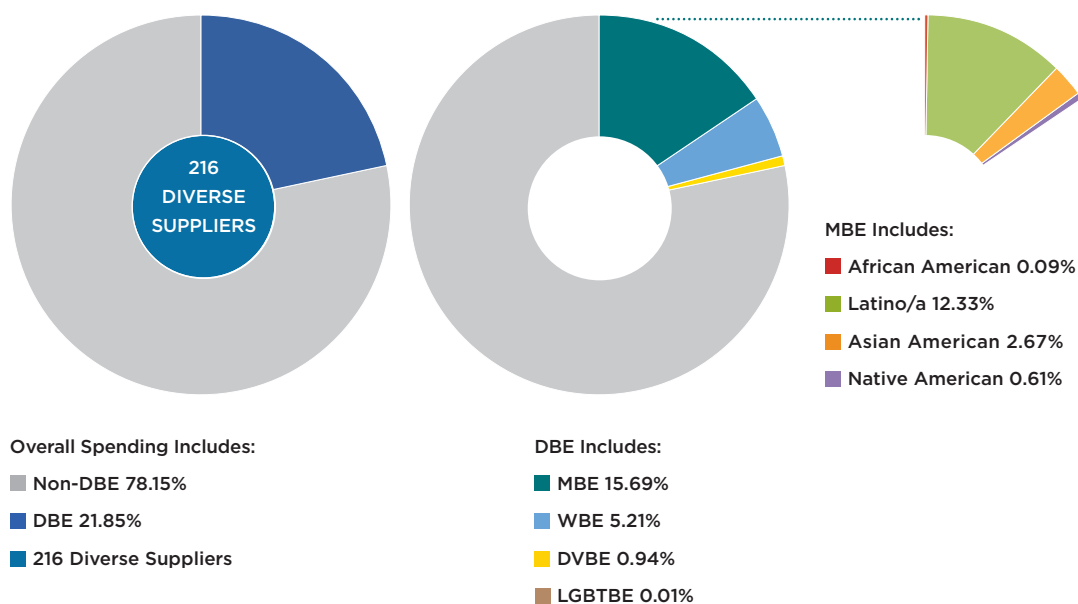
California Water Service (Cal Water)

Headquarters: San Jose, CA

Total 2016 California Procurement: \$221,807,529

Category	Spend	Percentage	Emerging Average	Grade
All Diverse Business Enterprises (DBE)	\$48.46 M	21.85%	25.73%	C-
All Minority Business Enterprises (MBE)	\$34.80 M	15.69%	14.89%	C+
African American	\$194.40 K	0.09%	0.45%	F
Latino/a	\$27.33 M	12.33%	12.77%	C
Asian American	\$5.92 M	2.67%	1.37%	A
Native American	\$1.36M	0.61%	0.30%	A
Women of Color	\$4.91 M	2.21%	1.30%	A
Women Business Enterprises (WBE)	\$11.56 M	5.21%	6.70%	D+
Disabled Veteran Business Enterprises (DVBE)	\$2.07 M	0.94%	1.00%	C
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$23.39 M	0.01%	3.13%	F

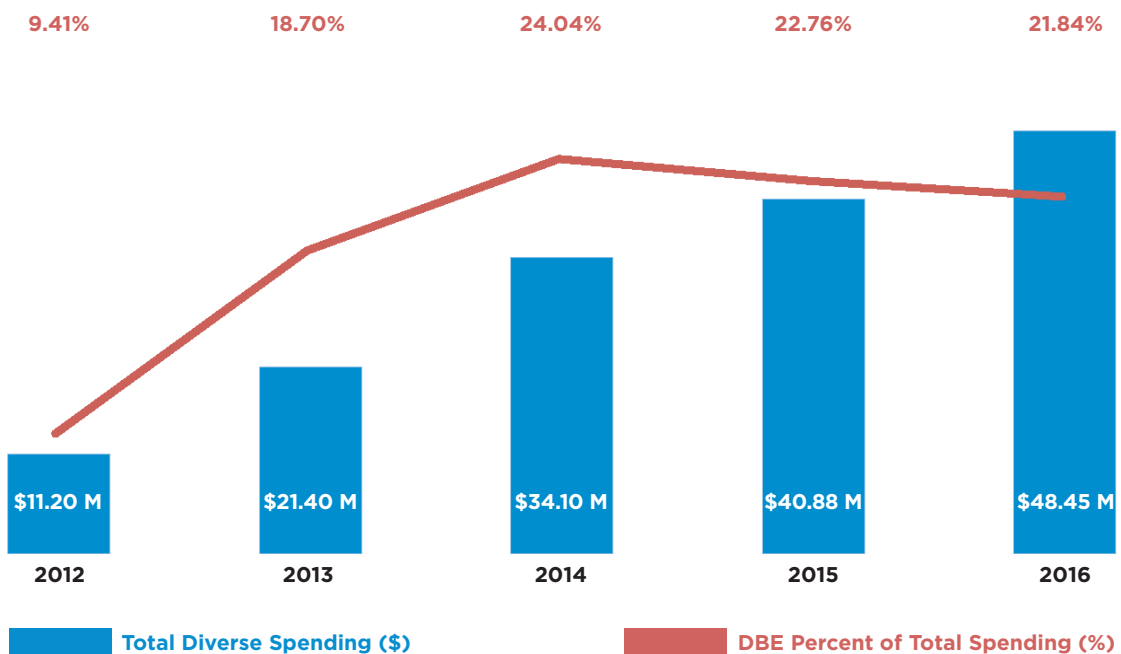
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	2006
Full-time Staff Dedicated to Supplier Diversity	1
Supplier Diversity Program Cost	\$156,090
Champion Program	No

Cal Water's overall DBE spending stayed fairly consistent from 2015-2016, with total dollars increasing by \$8 million and proportional spending decreasing by almost 1 percent. Compared to its peers, the company excelled with Asian Americans, Native Americans, and women of color but had negligible spending with African Americans and LGBTBEs. In 2016 it attended over 60 outreach events and its largest areas of diverse spending included heavy construction (except buildings), business services, and the wholesale trade of durable goods.

California Water Service (Cal Water) Five Year DBE Trend



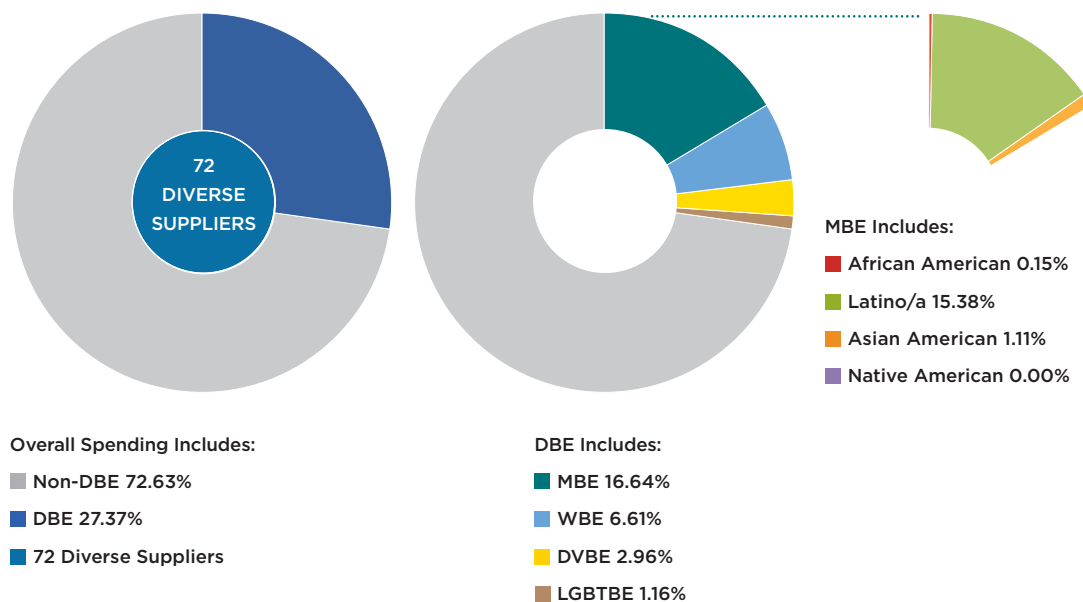
Golden State Water (GSW)

Headquarters: San Dimas, CA

Total 2016 California Procurement: \$145,748,577

Category	Spend	Percentage	Emerging Average	Grade
All Diverse Business Enterprises (DBE)	\$39.89 M	27.37%	25.73%	C+
All Minority Business Enterprises (MBE)	\$24.26 M	16.64%	14.89%	B-
African American	\$224.67 K	0.15%	0.45%	D-
Latino/a	\$22.42 M	15.38%	12.77%	B+
Asian American	\$1.62 M	1.11%	1.37%	C
Native American	\$593	0.00%	0.30%	F
Women of Color	\$1.19 M	0.82%	1.30%	D
Women Business Enterprises (WBE)	\$9.63 M	6.61%	6.70%	C
Disabled Veteran Business Enterprises (DVBE)	\$4.31 M	2.96%	1.00%	A
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$1.69 M	1.16%	3.13%	D-

Company Overall Spending

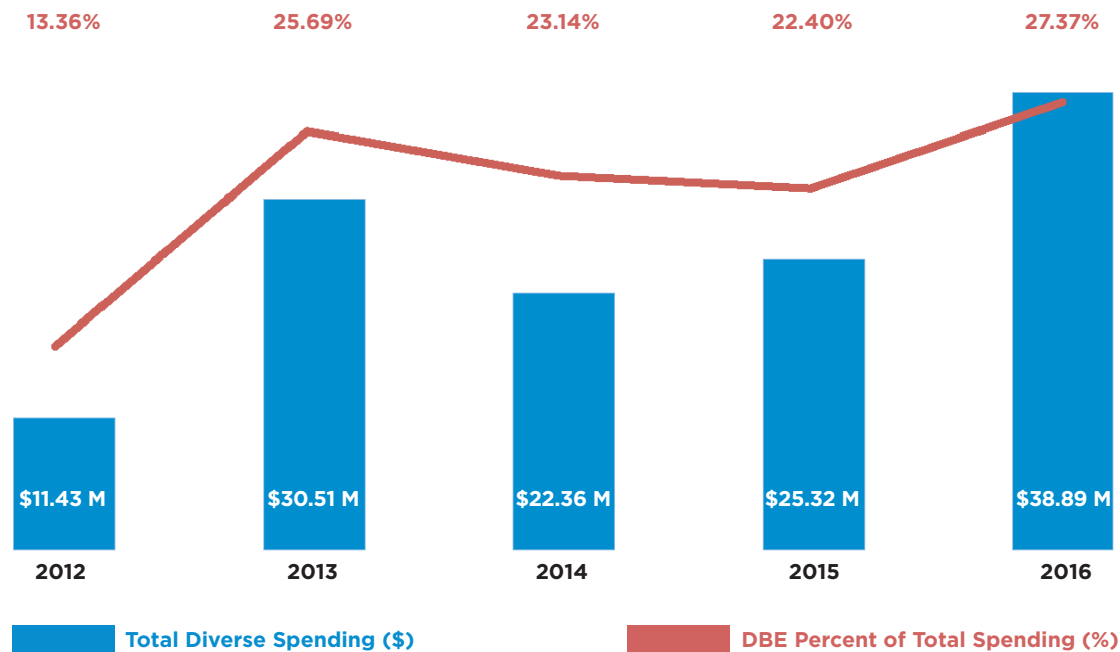


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	2004
Full-time Staff Dedicated to Supplier Diversity	1
Supplier Diversity Program Cost	\$143,334
Champion Program	Yes. In 2016 the program had 12 active members.

Golden State Water increased in most of its DBE categories from 2015 to 2016, and is for the first time surpassing GO 156 goals (21.5 percent with DBEs, 15 percent with MBEs, 5 percent with WBEs, and 1.5 percent with DVBes). In 2016 leading DBE categories included special trade contractors and business services. We urge Golden State Water to create specific strategies for African Americans, women of color, and LGBT businesses.

Golden State Water (GSW) Five Year DBE Trend



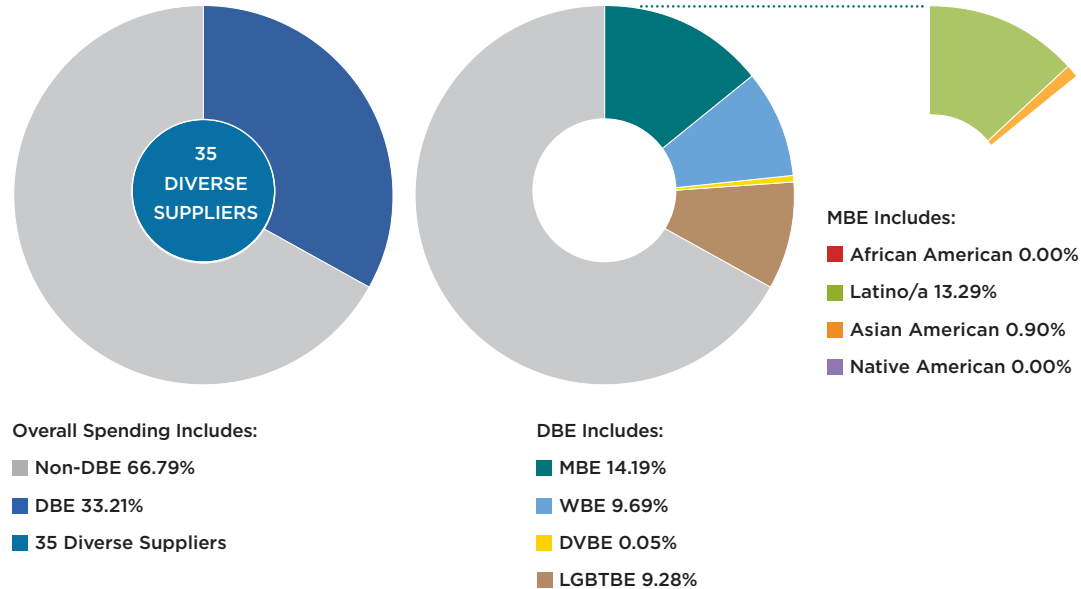
Park Water Company and Apple Valley Ranchos Water Company (Park/Apples Valley)

Headquarters: Downey, CA

Total 2016 California Procurement: \$26,010,962

Category	Spend	Percentage	Emerging Average	Grade
All Diverse Business Enterprises (DBE)	\$8.64 M	33.21%	25.73%	B+
All Minority Business Enterprises (MBE)	\$3.69 M	14.19%	14.89%	C
African American	\$0	0.00%	0.45%	F
Latino/a	\$3.46 M	13.29%	12.77%	B
Asian American	\$233.54 K	0.90%	1.37%	D+
Native American	\$0	0.00%	0.30%	F
Women of Color	\$81.92 K	0.31%	1.30%	F
Women Business Enterprises (WBE)	\$2.52 M	9.69%	6.70%	A
Disabled Veteran Business Enterprises (DVBE)	\$12.17 K	0.05%	1.00%	F
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$2.41 M	9.28%	3.13%	A

Company Overall Spending

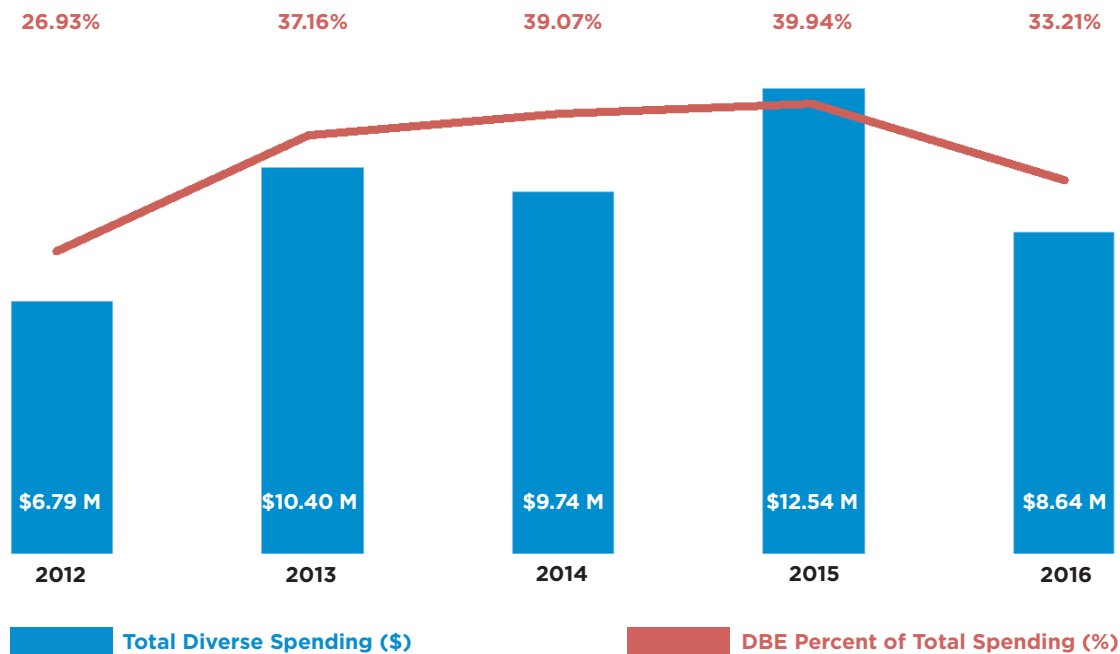


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	Not supplied.
Full-time Staff Dedicated to Supplier Diversity	Not supplied.
Supplier Diversity Program Cost	\$64,746
Champion Program	Not supplied.

Park/Apple Valley substantially decreased its supplier diversity spending from last year, by \$3.9 million or 6.73 percent. The majority of the company's DBE spending comes from Latino/a businesses (40.05 percent), WBEs (29.17 percent), and LGBTBEs (27.89 percent). Park/Apple Valley is the only company in this report to spend zero dollars with two diverse business categories, African Americans and Native Americans. In 2016 it attended 18 outreach events and its major areas of DBE spending came from heavy construction, printing and publishing, and pipelines (except natural gas). Given its headquarters in California and disparate spending among DBEs, the company must make great investments in its program and devise specific strategies for African American and Native American companies.

Park Water Company and Apple Valley Ranchos Water Company (Park/Apple Valley) Five Year DBE Trend



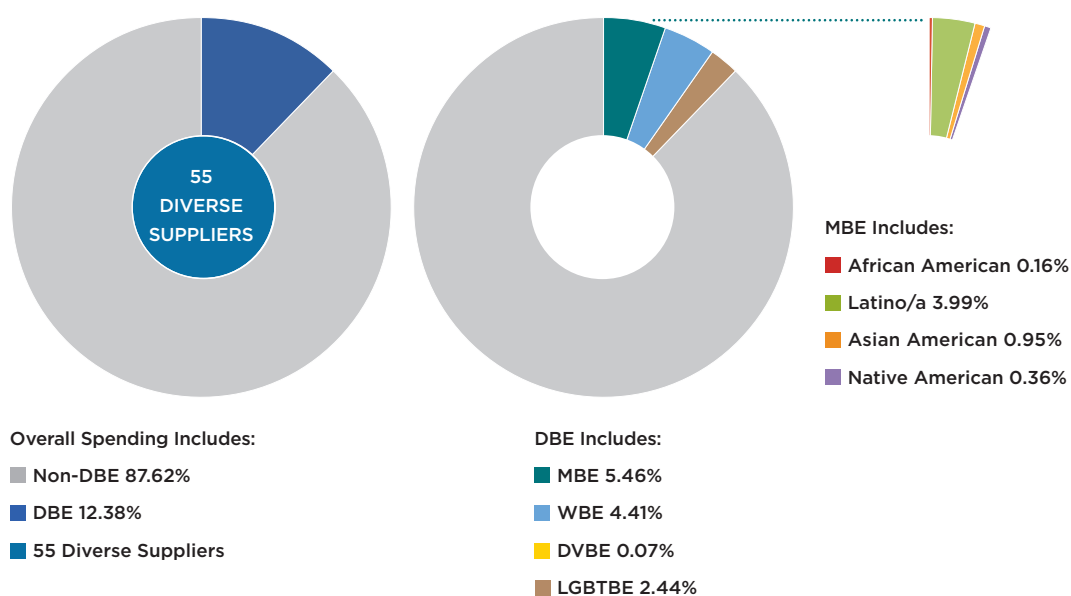
San Gabriel Valley Water Company (SGV)

Headquarters: El Monte, CA

Total 2016 California Procurement: \$40,339,630

Category	Spend	Percentage	Emerging Average	Grade
All Diverse Business Enterprises (DBE)	\$5.00 M	12.38%	25.73%	D
All Minority Business Enterprises (MBE)	\$2.20 M	5.46%	14.89%	D-
African American	\$64.06 K	0.16%	0.45%	D-
Latino/a	\$1.61 M	3.99%	12.77%	D-
Asian American	\$384.72 K	0.95%	1.37%	C-
Native American	\$143.79 K	0.36%	0.30%	C
Women of Color	\$185.92 K	0.46%	1.30%	F+
Women Business Enterprises (WBE)	\$1.78 M	4.41%	6.70%	D-
Disabled Veteran Business Enterprises (DVBE)	\$27.56 K	0.07%	1.00%	F
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$982.76 K	2.44%	3.13%	C-

Company Overall Spending

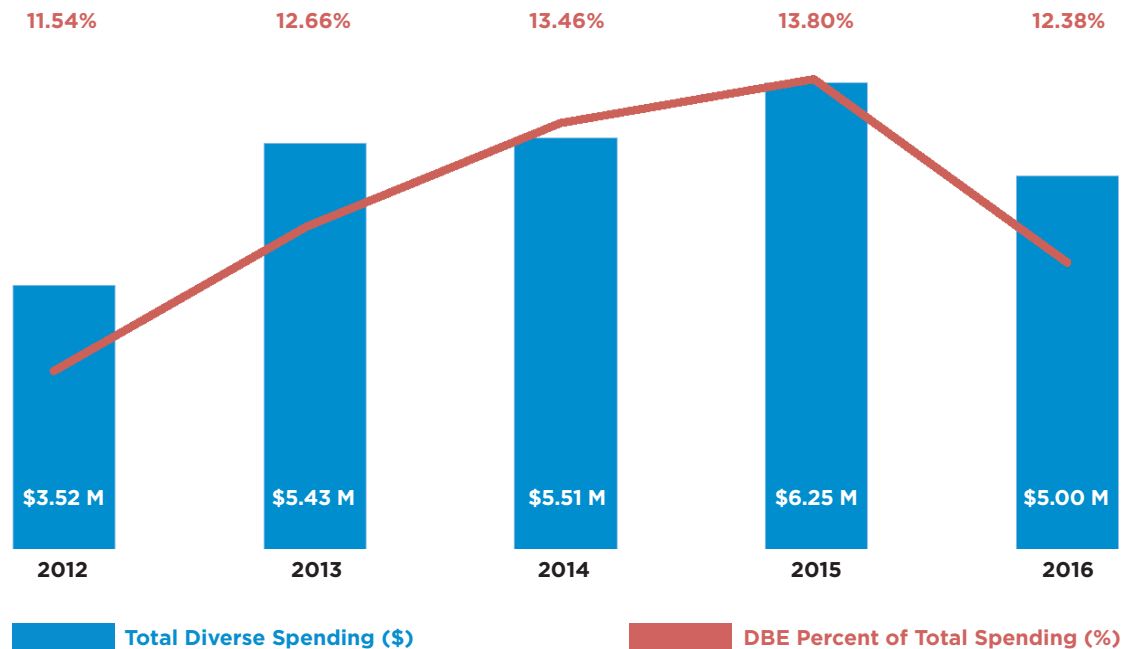


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	2013
Full-time Staff Dedicated to Supplier Diversity	1
Supplier Diversity Program Cost	\$104,682
Champion Program	No

After a steady rise from 2012-2015, SGV declined its overall DBE spending to just \$5 million, or 12.38 percent. The company performed at an average level compared to other water companies with Native American businesses and below average in every other category. Given that its headquarters and entire service area is within California, we strongly urge SGV to increase its commitment to and investment in supplier diversity. In 2016 its largest areas of DBE spending included business services, heavy construction (other than building), and miscellaneous.

San Gabriel Valley Water Company (SGV) Five Year DBE Trend



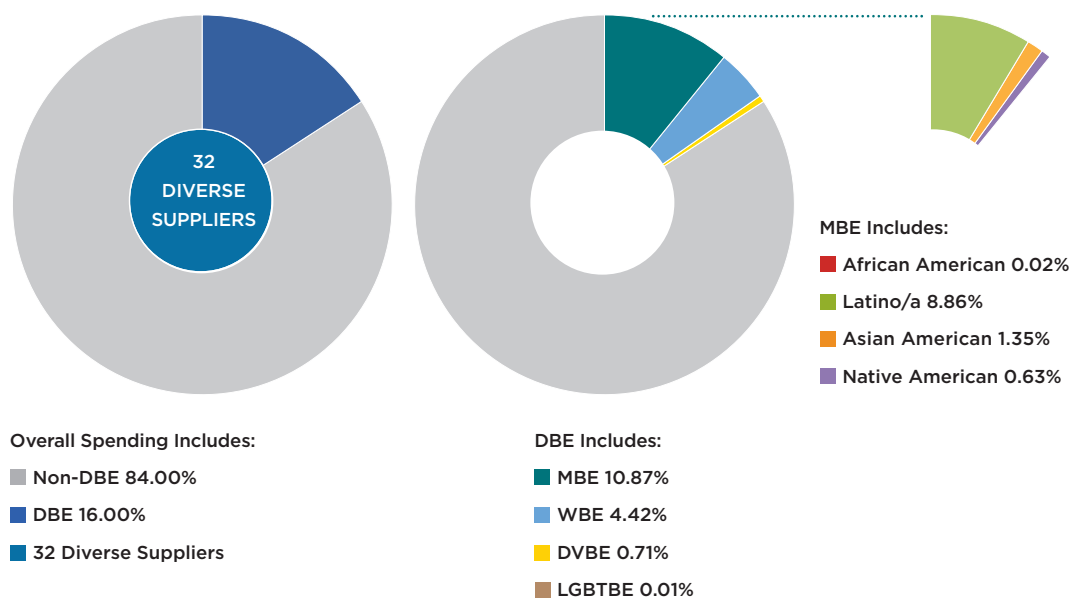
San Jose Water Company

Headquarters: San Jose, CA

Total 2016 California Procurement: \$137,515,977

Category	Spend	Percentage	Emerging Average	Grade
All Diverse Business Enterprises (DBE)	\$22.01 M	16.00%	25.73%	D+
All Minority Business Enterprises (MBE)	\$14.95 M	10.87%	14.89%	C-
African American	\$35.08 K	0.02%	0.45%	F
Latino/a	\$12.19 M	8.86%	12.77%	D+
Asian American	\$1.86 M	1.35%	1.37%	C
Native American	\$862.84 K	0.63%	0.30%	A
Women of Color	\$1.93 M	1.40%	1.30%	C+
Women Business Enterprises (WBE)	\$6.08 M	4.42%	6.70%	D-
Disabled Veteran Business Enterprises (DVBE)	\$971.39 K	0.71%	1.00%	C-
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$12.49 K	0.01%	3.13%	F

Company Overall Spending

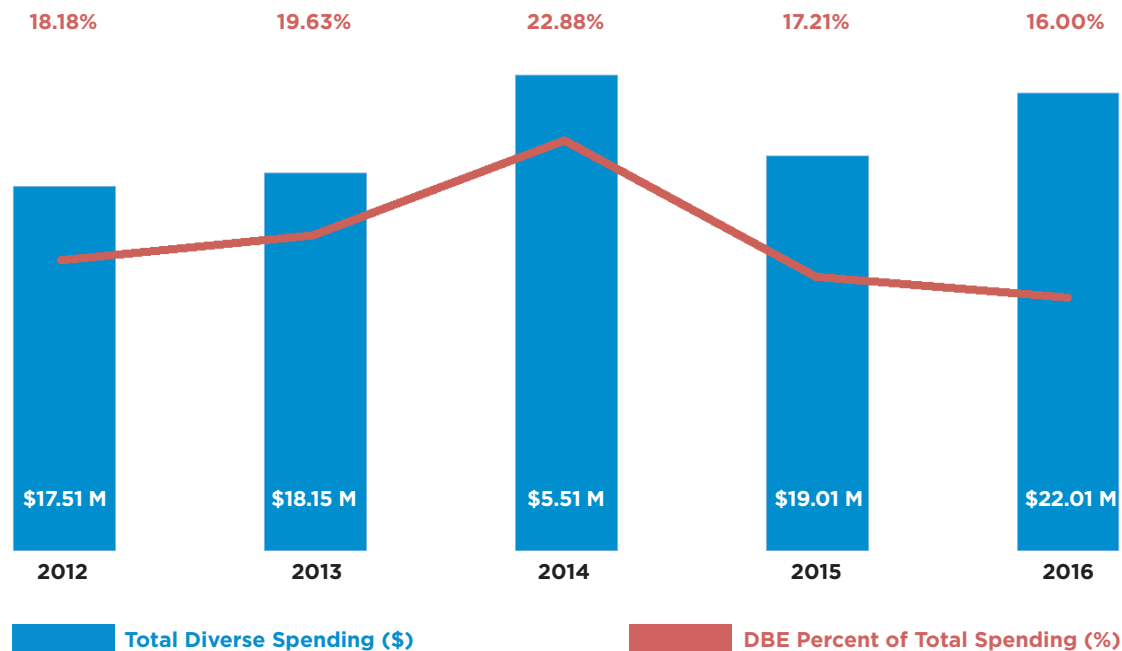


Supplier Diversity Infrastructure and Investment

Supplier Diversity Program Established	2010
Full-time Staff Dedicated to Supplier Diversity	1
Supplier Diversity Program Cost	\$159,740
Champion Program	Yes. In 2016 the program had 20-25 active members.

From 2015 to 2016, San Jose Water Company increased its total DBE spending by \$3 million, though total proportional spending decreased to 16 percent. Despite performing at or below average for most diverse categories, the company led its peers in the water industry for Native American businesses. The company attended 16 outreach events in 2016 and its major categories for diverse spending include heavy construction (other than buildings) and special trade contractors. Like SGV, this California headquartered company must invest more in supplier diversity and better reflect its consumers.

San Jose Water Company Five Year DBE Trend



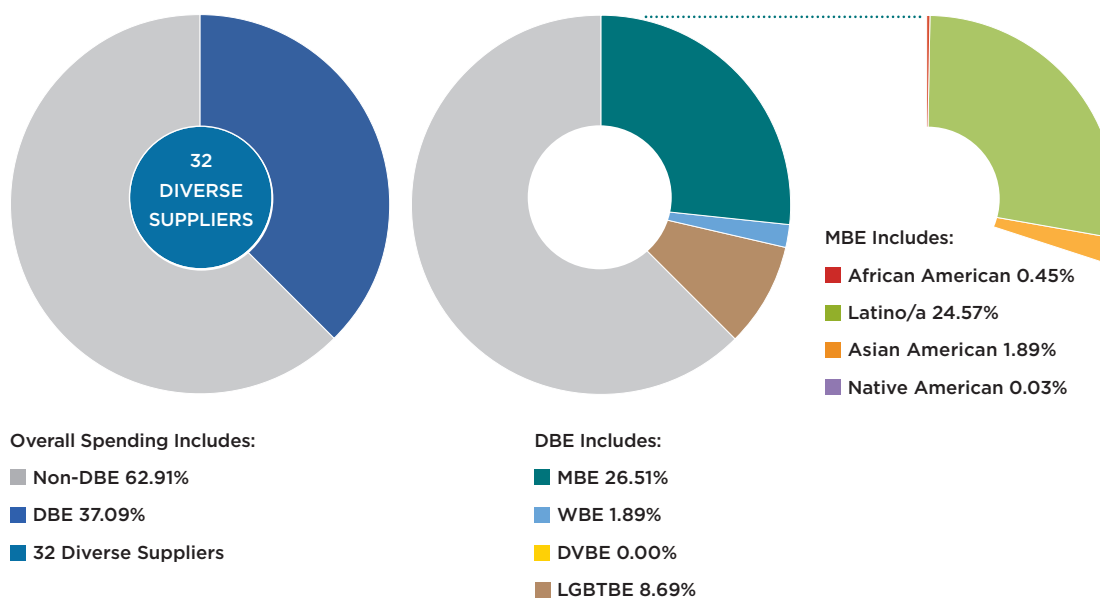
Suburban Water Systems

Headquarters: Covina, CA

Total 2016 California Procurement: \$18,598,714

Category	Spend	Percentage	Emerging Average	Grade
All Diverse Business Enterprises (DBE)	\$6.90 M	37.09%	25.73%	A
All Minority Business Enterprises (MBE)	\$4.93 M	26.51%	14.89%	A
African American	\$3.91 K	0.02%	0.45%	F
Latino/a	\$4.57 M	24.57%	12.77%	A
Asian American	\$351.93 K	1.89%	1.37%	C+
Native American	\$5.88 K	0.03%	0.30%	F
Women of Color	\$127.26 K	0.68%	1.30%	D-
Women Business Enterprises (WBE)	\$350.67 K	1.89%	6.70%	F
Disabled Veteran Business Enterprises (DVBE)	\$0	0.00%	1.00%	F
Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBE)	\$1.62 M	8.69%	3.13%	A

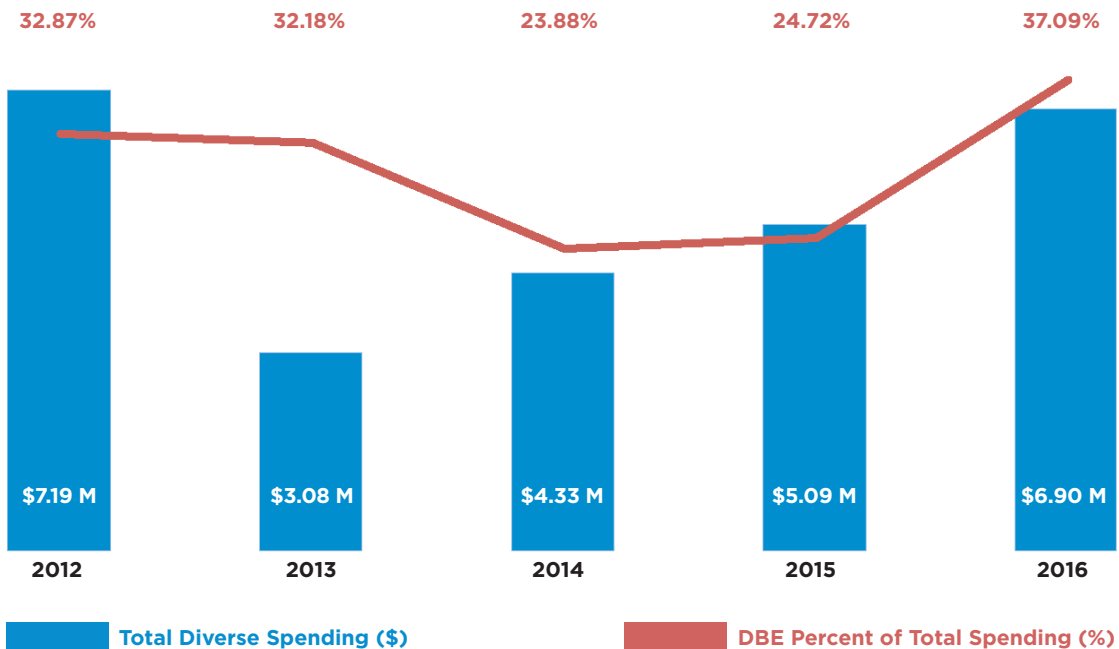
Company Overall Spending



Supplier Diversity Infrastructure and Investment	
Supplier Diversity Program Established	2003
Full-time Staff Dedicated to Supplier Diversity	Not Supplied
Supplier Diversity Program Cost	\$49,379
Champion Program	Not Supplied

Suburban Water Systems continues to demonstrate an impressive and steady increase for the third year in a row. Its performance, however, does not equally benefit all groups. MBEs, particularly Latino businesses, represent the vast majority of diverse spending while WBEs and DVBES saw fewer opportunities. Out of all 16 companies featured in this report, Suburban is the only company to spend zero dollars with DVBES and has the lowest supplier diversity program cost. Its leading areas of diverse spending include water, sewer, pipeline, and construction of communications and power lines. Suburban Water Systems must create category-specific outreach strategies to ensure its procurement benefits all diverse companies.

Suburban Water Systems Five Year DBE Trend



Additional Information on Champion Programs, Supplied by Utilities and Reproduced Verbatim

1. Pacific Gas & Electric Company

PG&E has a formal internal Line of Business (LOB) Supplier Diversity Champion Network that engages decision makers across the company to cross-functionally support supplier diversity goal achievement. There are 23 formally identified LOB Champions for 2016-2017. However, in addition to these designated Champions, this Champion Network includes other engaged LOB and Sourcing partners from across the company that would more than double the participant number. This number also does not include the more than 100 Supplier Diversity Outreach Ambassadors throughout the company that support supplier diversity activities.

2. San Diego Gas & Electric

Our champion and ambassador program started back in 2013, with 13 diversity champions. As of 2016, we have over 120 employees who serve as diversity champions and ambassadors who, outside of their normal scope of work, help to incorporate diverse suppliers into our procurement supply chain.

3. Southern California Edison

SCE's commitment to supplier diversity starts at the top with strong executive support and flows throughout the organization. Our Supplier Diversity and Development Leadership Council (SDDLC) helps to ensure that supplier diversity initiatives are carried out companywide. The council is comprised of 35 senior executives and managers who meet on a regular basis and provide guidance on supplier diversity objectives, policies, programs and strategies.

The Supplier Diversity and Development team joined with the Supply Management Team to create a diverse spend strategies for upcoming key procurements. These two groups also partner with our Organizational Units and participate on category management teams to identify potential prime and subcontracting opportunities for diverse suppliers. These groups are comprised of about 200 members.

4. Southern California Gas Company

Southern California Gas Company has had a formal Champion program in place since 2011. This program started with our SCORE program that consisted of a cross-functional internal team of project managers and employees charged with identifying projects in business units throughout our company. This has been integrated into our core DBE functions. The members on this team (26 Tiger Team Members) are tasked with finding a fit by matching projects with qualified diverse suppliers. They are also tasked with developing new, smaller DBE participants and help with mentoring regarding the bidding process. In addition to the above program, we annually through an awards ceremony recognize employees who help us achieve our supplier diversity goals. In 2017 we are planning to expand this program further.

We also have in place a Policy team comprised of internal and external parties. The external participants consist of representatives from local businesses, CBO's and business organizations. They are tasked with addressing barriers to participation and providing wider perspectives for developing solutions in meeting our supplier diversity goals.

5. AT&T California and AT&T Wireless

We have created a program called Supplier Diversity Outreach Ambassadors that support activities around the nation—a significant number are employees within our supply chain. We have created an internal portal to allow Ambassadors to sign up for community events during the year. There are nearly 700 registered across the U.S., 153 in California. Due to the outreach demand by community based organizations in California, about 40 percent of the events are led by senior ambassadors.

AT&T encourages supply chain managers and employees from strategic areas of the business to participate in its Supplier Diversity Outreach Ambassador (SDOA) program. These dedicated individuals volunteer their time in a wide variety of capacities to assist the Supplier Diversity team at outreach events across the U.S., especially in the state of California. There are over 150 statewide volunteers registered to support the California Supplier Diversity team and they were impactful to the minority business community by:

- Mentoring MBEs in the Network and Domain 2.0 space
- Leading minority conference workshops
- Donating their time after hours to support minority certification agencies
- AT&T is proud to report that in 2016 it had one or more SDOAs nearly 90 percent of the supplier diversity events targeted by our team in California

6. Cox Communications

Each of our six regions plus the headquarters office in Atlanta operate local diversity councils that mirror the pillars of Cox's National Diversity Council (Talent, Community, Customer, and Supplier). Local diversity council members align to a pillar. Local supplier diversity pillar members are accountable for (1) conducting outreach/attending local events to match prospective diverse suppliers with local purchasing opportunities, (2) ensuring suppliers classified as diverse-owned businesses get certified and stay certified, (3) maintaining relationships with regional diverse supplier advocacy organizations, and (4) ensuring employees are educated and current on supplier diversity principles and best practices. Council membership and supplier diversity pillar sub-committee numbers vary by region, but 20 champions were active in 2016 as either a pillar chair, co-chair, council member, or volunteer champion.

7. Frontier Communications

In 2016, diversity commitments were ingrained in the roles of all the category leaders within the Frontier Supply Chain as they developed diversity champions. Frontier category leaders are diversity champions who strive to maintain inclusion, support supplier match makings, while seeking best in class suppliers. The Culture and Inclusion Council was formed to reflect Frontier's on-going commitment to diversity with members from all areas of the business across the nation. Diversity and Inclusion is the responsibility of all Frontier employees.

8. Sprint

The Supplier Diversity team met with eight Sourcing managers to create Diversity Plans. The Plans aligns 5-10 diverse suppliers with each major category, sourced by the managers, to provide quick and easy access to diverse suppliers who are capable to compete in each sourcing opportunity. The suppliers are introduced onsite to internal business unit staff and Sourcing. Supplier Diversity continues to award Sourcing employees with ePoints (online shopping) and recognition at the Chief Procurement Officer's team meeting pursuant to Sprint's Supplier Diversity Reward Program. The Program recognizes contract awards and solicitations provided to diverse suppliers. Also, a new procurement RFx diverse inclusion goal was created to ensure Sourcing managers include diverse suppliers in all practical request for proposals, request for information, request for quote; etc.

9. T-Mobile

We use the term “champions” informally in our conversations with Greenlining to describe the employees—including senior leaders—throughout the company who work to promote Supplier Diversity in their day-to-day roles. T-Mobile’s Legal Diversity Task Force is a good example of this. The Legal Diversity Task Force is a group of attorneys and legal staff that focuses its efforts on two tiers of growth opportunities: (1) increasing spend with diverse lawyers within majority-owned law firms; and (2) increasing spend with diverse law firms and suppliers. Our use of the term was not meant to imply any type of formal program.

10. Verizon Wireless

The supplier diversity team leads meetings where business champions throughout the enterprise meet on a bi-weekly basis. At these meetings the group reviews action plans, results, and strategies focused on increasing diverse spend. Internal Communication Verizon’s supplier diversity team continued with an internal communications effort in 2016 that included C-suite executive level dashboards that tracked supplier diversity spend. Verizon’s supplier diversity leadership team provided quarterly updates to c-suite executives on progress toward meeting corporate goals.

11. California American Water

Our Supplier Diversity Council includes six team members:

- VP of Operations
- VP of Engineering
- VP of External Affairs
- Sr. Supply Buyer
- Sr. Procurement Analyst
- Director of Business Performance/Supplier Diversity

12. California Water Service

In 2016, we had five representatives (two superintendents, a community affairs manager, a procurement manager and a director of operations) actively meet and discuss opportunities with prospective suppliers at outreach events.

We’ll continue with this practice in 2017 as their participation leverages their area-specific knowledge of available opportunities.

APPENDIX B:

Company Responses to this Report

1. California Water Service

We're proud of our 2016 achievements—promoting a DVBE firm to Tier1 from Tier2, designating a WBE as our state-wide furniture supplier—and remain committed to our program.

We're focused on our outreach to the African American community through new partnerships with two diverse chambers to help us identify viable suppliers.

Through our seat at the Rainbow Chamber Silicon Valley's Board of Directors and a partnership with the Golden Gate Business Association we take a prime role in connecting with the LGBTBE community to share our procurement opportunities.

We look forward to the results of these affiliations.

2. T-Mobile

T-Mobile appreciates the opportunity to provide a response to Greenlining's 2017 Supplier Diversity Report. We are proud of the progress and results we have achieved with our diverse spend over the past few years. To that end, we note that since 2011, T-Mobile's minority spend has increased seven-fold from \$69.6 million to \$537.5 million. In the last year alone, our diversity procurement rose from \$460.1 million to \$537.5 million.

If there is one comment we would provide in response to the report, it would be to suggest that the means for measuring the success of an individual utility be adjusted to include consideration of a company's individual improvement, year over year. While total diversity procurement clearly varies among utilities, the fact that a company is making great strides within their own program seems worthy of recognition in future reports.

REFERENCES

ⁱ http://leginfo.ca.gov/pub/07-08/bill/asm/ab_0851-0900/ab_873_cfa_20080613_151115_sen_comm.html

ⁱⁱ <http://www.thesupplierclearinghouse.com/>

ⁱⁱⁱ <http://corporate.comcast.com/news-information/news-feed/billion-dollar-roundtable-inducts-comcast-nbcuniversal>

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THE GREENLINING INSTITUTE
360 14TH STREET, 2ND FLOOR
OAKLAND, CA 94612

WWW.GREENLINING.ORG

T: 510.926.4001 | F: 510.926.4010