



Pacific Gas and  
Electric Company®



# All. In.

Supplier Diversity

2018 | 2019

ANNUAL REPORT

ANNUAL PLAN

**BEFORE THE PUBLIC  
UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA**

Order Instituting Rulemaking  
into Implementation of Public  
Utilities Code Sections 8281-8286  
Relating to Woman, Minority,  
Service-Disabled Veteran and  
Lesbian, Gay, Bisexual and  
Transgender Business  
Enterprises R. 91-02-0111

**PACIFIC GAS AND ELECTRIC  
COMPANY (U 39 M)**

Annual Woman, Minority,  
Service-Disabled Veteran and  
Lesbian, Gay, Bisexual and  
Transgender Business Enterprises  
Report for Calendar Year 2018

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March 1, 2019

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# **2018** ANNUAL REPORT

# Letter from the CEO

## PG&E's Supplier Diversity: Always "All. In."

For nearly 40 years, PG&E's partnership with diverse suppliers has increased economic opportunities in our local communities while helping us enhance the quality of service that PG&E provides to our customers.

Last year, PG&E spent more than \$2 billion with diverse suppliers for the seventh straight year. That accounted for more than 40 percent of the company's total procurement spend for the sixth consecutive year. Also, PG&E has exceeded the CPUC's diverse spending goal of 21.5 percent for 13 years in a row.

We are proud of this history, and we are grateful for the support of our more than 800 diverse supplier partners.

As PG&E navigates the serious challenges we face—focusing intensely on safety and reducing risk throughout our electric and natural gas systems—we will continue to need the innovation, perspectives and skills of our diverse suppliers.

Please know that PG&E continues to believe in the importance of working with diverse suppliers. Today, as always, when it comes to supporting supplier diversity, we are "All. In."

**John Simon**  
Interim Chief Executive Officer



# 2018 Annual Report Results and Highlights

This is Pacific Gas and Electric Company’s (PG&E) annual report to the California Public Utilities Commission (CPUC) on its progress in procuring goods and services from woman (WBE), minority (MBE), service-disabled veteran (DVBE), and lesbian, gay, bisexual and transgender (LGBTBE) business enterprises (WMDVLGBTBE).

In 2018, PG&E spent \$3.0 billion with WMDVLGBTBEs, or 41.43 percent of its total procurement. The company spent \$7.2 billion on products and services to deliver safe, reliable, affordable and clean energy to its customers.

For 13 consecutive years, PG&E has exceeded the CPUC’s General Order 156 goal of 21.5 percent of diverse spend. By sustaining its 40-plus percent performance and by strengthening the quality of its supplier diversity program initiatives and diverse supply base, PG&E reinforces its commitment to an inclusive supply chain and to the economic development of the California communities it serves.

## Diverse Category Comparison 2017-2018

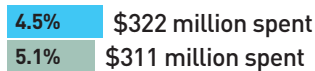
### MBE



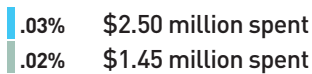
### WBE



### DVBE



### LGBTBE

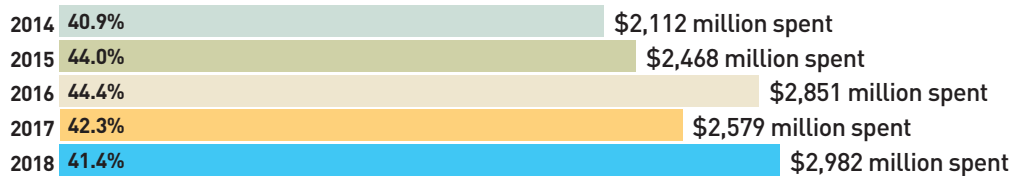


## PG&E's Five-Year Performance Trend

PG&E is steadfast in incorporating supplier diversity into its procurement process. Over the last five years (2014-2018), the company's spend with diverse suppliers demonstrates PG&E's commitment to sustaining world-class diversity results. Total spend increased \$2,036 million or 39.5 percent over the last five years while diverse spend increased at a slightly faster rate, \$870 million or 41.2 percent.

- MBE spend increased \$463.0 million or 33.9 percent.
- WBE spend increased \$208.0 million or 33.4 percent.
- DVBE spend increased \$196.6 million or 157.2 percent.

## PG&E Five-Year Performance—WMDVLGBTBE 2014-2018



As PG&E strives for continuous improvement, the company's Supplier Diversity, Sourcing and Line of Business (LOB) teams will continue working cross-functionally to strengthen existing efforts and develop new strategic initiatives to ensure sustainable supplier diversity results.

## Description of WMDVLGBTBE Program Activities During the Previous Calendar Year (Sec 9.1.1)

### INTERNAL PROGRAMS AND ACTIVITIES

#### Supplier Diversity Program Resources and Team Structure

PG&E's mission is to safely and reliably deliver affordable and clean energy to our customers and communities every single day. The Supply Chain Responsibility Department additionally works to deliver a diverse, environmentally sustainable and ethical supply chain.

There is no change to department structure. The Director of Supply Chain Responsibility leads the team of supply chain responsibility professionals and reports to the Vice President of Supply Chain Management and Chief Procurement Officer. The Supply Chain Responsibility team includes managers, expert and senior consultants. The Supply Chain Responsibility team partners with many internal stakeholders—the sourcing organization, LOB officers and appointed Supplier Diversity LOB Champions, among others—to develop strategies to strengthen WMDVLGBTBE participation in business opportunities.

#### In 2018, supplier diversity activities included:

- Establishing officer- and director-level supplier diversity goals for each LOB
- Leading cross-functional teams to achieve supplier diversity goals
- Tracking and reporting monthly supplier diversity spend results
- Advancing and implementing WMDVLGBTBE business development strategies
- Collaborating with internal departments, community-based and diverse organizations
- Sharing upcoming contract opportunities with the WMDVLGBTBE community
- Responding to WMDVLGBTBE prospective supplier inquiries
- Managing technical assistance and supplier development programs
- Offering training and resources to suppliers to promote safe, affordable, environmentally sustainable, diverse and ethical supply chain management
- Coordinating and participating in supplier diversity outreach events
- Ensuring compliance with General Order 156





## Employee Education

In 2018, PG&E continued to engage and educate its employees about the Supplier Diversity Program via multiple channels and tools.

### Training

PG&E's Supply Chain Responsibility team members continued to conduct supplier diversity trainings throughout the year. The team trained Supplier Diversity LOB Champions on their key role as drivers of supplier diversity planning and results within their LOB. Ongoing discussions included education on how WMDVLGBTBEs contribute to the delivery of affordable gas and electric services and how to: drive accountability; uncover potential diverse opportunities through value chain and spend data analysis; support the success of WMDVLGBTBEs in upcoming projects; work with prime suppliers to optimize diverse participation and accurately report subcontracting. Outreach Ambassadors received training on supplier diversity performance, upcoming bid opportunities and technical assistance resources available to the small and diverse business community. Sourcing received training on how to evaluate supply chain responsibility in the request for proposal (RFP) process.

### Supply Chain Responsibility Outreach Ambassador Program

Supply Chain Responsibility continued to recruit and train volunteer Outreach Ambassadors to support supplier diversity activities, including new members of the Business Energy Solutions START Team. The START team synergistically provides resources and tools to small business customers. Ambassadors participated in business matchmaking sessions, presented or participated on panel discussions and engaged with a wide range of businesses at diverse business conferences, tradeshow and workshops including the CPUC Small Business Expos.

### Partnered Outreach with Employee Resource Groups

PG&E's Employee Resource Groups (ERGs) play an active role in promoting diversity and community service within the company and represent approximately 15 percent of the employee population. The ERGs include Access Network, Asian, Black, Latino, Legacy, NuEnergy, Pride Network, Samahan, Women's Network and Veterans. Each ERG provides employees with opportunities to get involved with the community and participate in outreach activities.

In 2018, PG&E's Supply Chain Responsibility team continued to partner with its ERGs to organize educational workshops for WMDVLGBTBEs. Prospective suppliers were trained on various factors for competitive success. The events also engaged ERG members and key leaders in the company's supplier diversity program and connected them with WMDVLGBTBEs.

- Black History Month Celebration Workshop in partnership with the Black ERG
- Asian and Pacific Islander Heritage Month Celebration Workshop in partnership with the Asian ERG
- LGBT Pride Month Celebration: Out for Business Weekly Webinars
- Hispanic Heritage Month Celebration Workshop in partnership with the Latino ERG
- Veterans Month Celebration: Boots to Business Workshop in partnership with the Veterans ERG.

## External and Internal Websites

PG&E's Supply Chain Responsibility team continued to maintain external and internal websites for its department. These websites contained a range of content regarding the Supplier Diversity Program, including an outreach calendar of upcoming events, diverse and small business certification resources, Technical Assistance Program resources, Prime Supplier Program resources, the latest General Order 156 Supplier Diversity Annual Report and a comprehensive set of supplier frequently asked questions. PG&E updated its Prime Supplier Program Guide, Supplier Code of Conduct and Supplier Environmental Performance Standards in 2018.

The external Supply Chain Responsibility website additionally connected businesses to helpful information regarding PG&E's Supplier Code of Conduct, Contractor Safety Program, supply chain environmental sustainability and a supplier quality assurance manual. On its upcoming bid opportunities webpage, PG&E published contract opportunities in logistics support services, data gathering, energy efficiency program management, street light inspection and construction.

In 2018, PG&E also updated its internal website for the Supply Chain Responsibility department, a centralized resource of supplier diversity, supply chain environmental sustainability and supplier code of conduct information for employees. The internal website provided contact information for the team, as well as other key forms, documents and resources.

PG&E's internal company website shared a wide range of company and product news, industry information and officer messages with its employees. During the year, PG&E's employee home page, *PG&E@Work*, and the weekly employee email, *Daily Digest*, featured supplier diversity success stories. These online news briefs provided educational information about supplier diversity accomplishments and employee recognition.

## Internal Meetings

Supplier diversity continued to be a strategic initiative discussed at internal PG&E meetings in 2018. PG&E highlighted supplier diversity goals and key initiatives in its LOB department meetings and Supplier Diversity LOB Champion meetings. The Supply Chain Responsibility team met with Sourcing, LOB Champions and other internal stakeholders to implement cross-functional strategies that helped PG&E successfully achieve its diversity targets.

## Employee Recognition

The Supply Chain Responsibility team continued to recognize employee efforts that contributed to PG&E's supplier diversity successes. Recognition included certificates of appreciation and acknowledgment of team member best practices during internal team meetings.

The Supply Chain Responsibility team again hosted the annual Supply Chain Responsibility Awards. PG&E's President and Chief Operations Officer recognized one individual with the "President's Award" for best exemplifying role model leadership in both supplier diversity and environmental sustainability. Other individuals and teams received awards for achieving excellent supplier diversity and/or environmental sustainability results while sourcing and integrating cost-effective, safe and reliable products and services. The event's keynote speaker, CPUC Commissioner Carla J. Peterman, recognized PG&E's Supplier Diversity Program as industry-leading and commended the company's efforts to be "All In" when it comes to a diverse supply chain.

## Coverage of Results

PG&E continued to track and publish its supplier diversity results via multiple internal and external channels.

PG&E's comprehensive 2017 Supplier Diversity Annual Report and 2018 Annual Plan was filed with the CPUC on March 1, 2018 and thereafter was posted on its Supply Chain Responsibility website. This report was shared with PG&E's partners in the diverse business community, as well as key internal stakeholders and officers. The company also published an article on CURRENTS, PG&E's online publication for news and perspectives, highlighting the sixth year of spending more than \$2 billion with diverse suppliers.

Internally, PG&E published nine supplier diversity stories through its internal employee homepage, *PG&E@Work*, the daily company e-newsletter, *Daily Digest*, and various LOB and ERG e-newsletters. The stories featured outstanding supplier diversity contributions made by individual employees and teams, recent award recognitions and upcoming events.

PG&E's leadership team continues to hold LOB organizations accountable for supplier diversity performance. Results are tracked in key business metrics and shared with senior management on a monthly basis. LOBs performing below target are requested to provide a variance explanation that includes actions to close the gap. Performance updates are discussed at Supplier Diversity LOB Champion meetings, where key accomplishments and best practices are also shared.

Supplier diversity results are available company-wide through the company's supplier diversity reporting system. The Supply Chain Responsibility team also responds to numerous ad hoc requests for data and analytics throughout the year.

## Prime Supplier Program

In 2018, PG&E's supplier diversity subcontracting performance increased, with its prime suppliers reporting more than \$725.0 million in spending with WMDVLGBTBEs, representing a 4.0 percent increase over 2017.

Again in 2018, PG&E encouraged its prime suppliers to consider different ways to include diverse suppliers in business solution partnerships and subcontracting opportunities. The Supply Chain Responsibility team partnered with Sourcing and the LOB to ask key prime suppliers to forecast and proactively manage and improve supplier diversity subcontracting performance.

PG&E's Prime Supplier Program encourages prime suppliers to establish and execute their own supplier diversity programs, develop supplier diversity plans, set annual performance goals, describe internal best practices to increase WMDVLGBTBE participation and accurately report to PG&E the monthly results of their subcontracting efforts with WMDVLGBTBEs.

A comprehensive Prime Supplier Guide, monthly prime supplier webinars and in-person Prime Supplier Academy trainings provide suppliers with details to develop a detailed supplier diversity plan, report correctly, and consider steps and systems required to comply with an audit of reported results.

In 2018 and for the eighth year in a row, PG&E hired a third-party firm to perform an annual subcontractor reporting and payments audit to ensure accurate WMDVLGBTBE reporting from prime suppliers. Audit-based adjustments are incorporated in the 2018 reported results.

## Prime Supplier Academy

In its fourth year, PG&E's Prime Supplier Academy (Academy) continued to deliver valuable supply chain responsibility training to PG&E suppliers. The Academy provides resources and tools that help prime suppliers to increase engagement in and ownership of their own supplier diversity, environmental sustainability and supplier code of conduct initiatives.

**PG&E conducted eight in-person Academy workshops in 2018, with topics that included:**

- Building Your Diverse Supplier Bench: Preparing for Your Future Supply Chain Needs
- Leveraging Industry Forums and Tradeshows for Diversity Inclusion
- How to Account for and Report Greenhouse Gases
- Meet Your Supplier Diversity Goals through Supply Chain Analysis
- Supplier Diversity Metrics and Accountability, Processes and Tools
- Successful Supplier Development Programs
- Supplier Code of Conduct: Components, Management Systems and Implementation

In addition, PG&E conducted monthly webinars that focus on how to develop a supplier diversity plan, report diverse subcontracting and prepare for a subcontracting audit.

## Technical Assistance and Capacity Building

PG&E's Technical Assistance Program (TAP) continues to provide a broad range of educational and capacity-building initiatives to WMDVLGBTBEs of all sizes, many in collaboration with community-based organizations. PG&E's TAP is based on the structure defined in the CPUC's Order Instituting Rulemaking 09-07-027 Three-Tier Technical Assistance Plan for WMDVLGBTBEs.

Tier 1: Smaller WMDVLGBTBEs	Tier 2: Midsize WMDVLGBTBEs	Tier 3: Advanced Technology/Emerging Market WMDVLGBTBEs
<b>1–3 years' experience, less than \$1M revenue</b>	<b>3+ years' experience, revenue more than \$1M</b>	<b>5+ years' experience, demonstrated readiness to grow</b>
<ul style="list-style-type: none"> <li>• JFK University BGAP Program</li> <li>• Diverse Suppliers are Cyber-Secure</li> <li>• Diverse Suppliers are Safe</li> <li>• Diverse Suppliers Go Green</li> <li>• Diverse Suppliers Go Global</li> <li>• Financial Education</li> <li>• SBA/MBDA Partnership Workshops</li> <li>• Business Tune-Up Workshops</li> <li>• Strategic Sourcing Process Series</li> </ul>	<ul style="list-style-type: none"> <li>• UCLA MDE Program</li> <li>• University of Washington MBE Program</li> <li>• UC Berkeley Financial Acumen for Leaders Course</li> <li>• ISO 9001/14001 Certification Training</li> <li>• Diverse Suppliers are Cyber-Secure</li> <li>• Diverse Suppliers are Safe</li> <li>• Diverse Suppliers Go Green</li> <li>• Diverse Suppliers Go Global</li> <li>• SBA/MBDA Partnership Workshops</li> <li>• Business Tune-Up Workshops</li> <li>• Strategic Sourcing Process Series</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 9001/14001 Certification Training</li> <li>• UCLA MDE Program</li> <li>• University of Washington MBE Program</li> <li>• Future-Proofing Your Business</li> </ul>

## PG&E Signature Initiatives

PG&E understands that an important part of supporting WMDVLGBTBEs is offering the tools and technical assistance needed to succeed in today's changing marketplace. The following signature TAP initiatives were established to assist in these efforts. New initiatives are developed, and existing initiatives are refreshed to reflect current trends.

### Diverse Suppliers are Safe

PG&E first launched Diverse Suppliers are Safe initiative in 2012 to educate WMDVLGBTBEs on the importance of safety in everyday business practices. In 2018, PG&E conducted four Diverse Suppliers are Safe workshop presentations. These trainings provide participants with information and key elements needed to develop a robust safety program. Examples of topics included PG&E's Contractor Safety Program, ISNetworld safety and Gold Shovel requirements.

### Diverse Suppliers are Cyber-Secure

PG&E launched this initiative in 2014. At the time, it was one of the first cybersecurity initiatives in the country specifically created for the diverse business community. This signature initiative raises cybersecurity awareness, explains risks associated with web-based connectivity, details some approaches small businesses can take to cost-effectively assess vulnerability and suggests available resources to help diverse businesses reduce risk. PG&E conducted one cybersecurity workshop in 2018 that featured a presentation from the Federal Bureau of Investigation.

### Diverse Suppliers Go Green and Environmental Sustainability

PG&E launched Diverse Suppliers Go Green in 2010 to train small and diverse businesses on how to develop and implement their own environmental sustainability initiatives. The training today includes education on assessing environmental impacts, as well as guidance to develop policies and practices that improve a business' environmental footprint and profile. Participants learn how to track and set improvement goals for environmental impacts such as energy usage, waste and water usage. Workshops also explore how business strategies that include environmental sustainability can reduce costs and improve business operations.

In 2018, PG&E expanded its Diverse Suppliers Go Green training by partnering with a WBE to create a new sustainability training on Greenhouse Gas (GHG) emissions. These half-day in-person workshops defined the importance of limiting GHG emissions and trained participants on how to reduce, calculate and report such emissions. During the training, participants worked on a case study and calculated emissions to reinforce their newly acquired skills. Attendees also received a five-step checklist with links to online resources as a future reference guide.

PG&E conducted seven sustainability-focused workshops for WMDVLGBTBEs in 2018.

## **Diverse Suppliers Go Global**

PG&E launched this TAP initiative in 2011 to educate WMDVLGBTBEs on how global markets and supply chains can be leveraged to strengthen and grow businesses. The training shares resources on how to evaluate and participate in the global marketplace. PG&E conducted one in-person half-day workshop in 2018.

## **Business Tune-Ups for WMDVLGBTBEs**

PG&E launched this TAP initiative in 2017 to help WMDVLGBTBEs become more competitive by exploring different strategies to identify operational efficiencies, increase productivity and reduce costs. PG&E engaged a WBE with operational excellence expertise to develop a series of half-day workshops and webinars. The first workshop conducted in 2017 was on reducing the cost of operations.

In 2018, PG&E conducted three in-person workshops and three post-training webinars. Topics included: process improvement, risk management, root cause analysis and corrective action. An additional webinar on business continuity is planned for 2019.

## **Future-Proofing Your Business**

In 2017, PG&E piloted a new TAP initiative designed to address some of the powerful disruptive forces driving rapid change in business. Workshop pilot participants discussed some of the forces impacting their businesses, including e-commerce, big data, globalization, smart grid, advanced technology, artificial intelligence and robotics. Attendees discussed their views of future impacts and innovative strategies they are employing to adapt to and leverage the changing business ecosystem.

In 2018, additional future-proofing content was developed. PG&E conducted a “mini-hackathon” with diverse businesses and prime suppliers at the National Minority Supplier Development Council Annual Conference to elicit new thinking on how to promote the inclusion of diverse suppliers in rapidly evolving technology. 2019 workshops will cover the fundamentals of developing and launching emerging technology-based solutions and roadmaps.

## **Supplier Code of Conduct Training**

For more than three years, PG&E annually conducted multiple one-hour webinars to educate suppliers on the company’s Supplier Code of Conduct. In 2018, PG&E enhanced this training by launching a new six-hour in-person workshop covering many dimensions of corporate supplier codes of conduct. Diverse suppliers were encouraged to attend this training and learn how to establish policies and practices that lead to compliance with such codes. Participants learned the importance of proactively assessing risks both internally and in their supply chain and implementing procedures to improve responsible business operations.

The robust training also assisted attendees in understanding the components of PG&E’s Supplier Code of Conduct (Code), how to develop a management system to sustainably manage conformance to the Code, and resources to develop their own supplier and employee codes of conduct. During the workshop, attendees performed a risk assessment specific to their business to help prioritize improvement opportunities. PG&E conducted two in-person trainings in 2018.

## **Webinar Series on How to Successfully Participate in Strategic Sourcing**

In 2018, PG&E launched a new TAP initiative to educate WMDVLGBTBEs on what to expect when participating in the strategic sourcing process. PG&E partnered with a third-party firm with strategic sourcing expertise to develop the curriculum and conducted four webinars in 2018.

**The webinar series is separated into four one-hour trainings:**

- **Part I:** How to Present Your Capabilities and Ensure Your Fit with the Required Needs
- **Part II:** How to Navigate the RFx Process
- **Part III:** What to Think About When Negotiating a Potential Contract
- **Part IV:** How to Manage and Grow the Relationship Once You Have a Contract

## **WMDVLGBTBE Scholarships**

Every year, PG&E offers WMDVLGBTBE scholarships to university-led and certification-focused business development training programs.

### **UCLA Management Development for Entrepreneurs (MDE) Program**

PG&E continued to sponsor five scholarships for the UCLA MDE Program. The Program is an intensive graduate-level certification program offered to business owners and managers to help develop their management skills and strengthen their ability to build effective organizations. As a part of the program, participants complete an individualized business improvement plan to implement in their companies.

### **University of Washington Minority Business Executive Program**

PG&E distributed three scholarships to attend University of Washington Foster School of Business' Minority Business Executive Program. This National Minority Supplier Development Council-affiliated program assists diverse business leaders in utilizing financial tools to make more cost-effective decisions, market more effectively and develop long-term growth strategies.

### **John F. Kennedy University Business Growth Acceleration Program (BGAP)**

PG&E distributed two scholarships to attend BGAP in 2018. The six-month program was conducted both in-person and via webinar. Course topics focused on strategic growth plan development, strategies for business diversification, financial planning and other areas of business growth.

### **International Organization for Standardization (ISO) Certification Training Scholarships**

PG&E continues to have sponsorship funds available for one-on-one training that assists WMDVLGBTBEs to successfully implement ISO standards into their management systems. ISO certification can help WMDVLGBTBEs to manage supply chain risk and improve quality of their operations.

## Small Business-Focused Collaboration

PG&E is a longtime partner of the Small Business Administration, Minority Business Development Agency, California Department of General Services and other small business experts to provide capacity-building training to the small and diverse business community. In 2018, PG&E sponsored or participated in 17 small business-focused events. At these events, PG&E presented on how to do business with utilities, participated in panels, moderated supplier panels, and encouraged prime suppliers and other utilities to participate. Notably, PG&E worked with another California utility, PacifiCorp, to participate in their first small and diverse business event, the NorCal Procurement Technical Assistance Center Expo. PG&E offered coaching to PacifiCorp on the type of information small and diverse businesses find useful and how to be a successful panel participant and presenter.

## Financial Education

PG&E continued to partner with the Small Business Administration, banks and other financial experts to offer financial education to the small and diverse business community. The company supported financial education at multiple events in 2018.

PG&E initiated, sponsored and led August trainings on accounts payable processes and resources at the California Hispanic Chamber of Commerce Annual Conference in Los Angeles and the California Black Chamber of Commerce Ron Brown Summit in Anaheim. PG&E also presented a similar training at its Small Business Consultation and Feedback Forum held in June in San Francisco, where the small business representatives in attendance provided valuable input on payment processing.

In addition, PG&E and other California Joint Utility members held a collaboration forum in 2018 with small and diverse business community leaders to discuss opportunities to clarify invoice payment processes and related contract terms. The forum helped to identify suggested trainings on access to capital, risk management, cash flow, financial management and other useful topics for the small and diverse business community.

PG&E also conducted multiple trainings in related areas to support WMDVLGBTBEs in building financial management skills. These trainings on strategic sourcing, contract management, process improvement, risk management, root cause analysis and corrective action occurred throughout the year. Additional details are found in this Technical Assistance Program section of the annual report, under the headings “How to Successfully Participate in Strategic Sourcing Webinar Series” and “Business Tune-Ups for WMDVLGBTBEs.”

PG&E also continued to offer scholarships for WMDVLGBTBEs to attend a multi-day UC Berkeley financial management course.



## Trade Show Trade Missions

PG&E instituted its Trade Show Trade Missions to facilitate the introduction of WMDVLGBTBEs to the wealth of resources available at utility industry trade shows and conferences. While traditional supplier diversity conferences can be extremely valuable, moving beyond to industry conferences and trade shows helps WMDVLGBTBEs position their businesses at the core of their industry. To be relevant and competitive in the rapidly evolving energy industry, WMDVLGBTBEs need to understand the industry's emerging technology, key business challenges and ecosystem of suppliers and customers.

PG&E's Trade Show Trade Mission initiative prepares WMDVLGBTBEs to optimize the value of industry trade shows and provides registration scholarships. PG&E team members often attend these events, as well, to facilitate business introductions. In 2018, PG&E facilitated Trade Show Trade Missions at the DistribuTECH and National Minority Supplier Development Council annual conferences.

## Supplier Development Program

PG&E supports the development of its diverse suppliers through formal and informal mentorship, opportunity identification and value chain analysis. The formal program includes active participation of PG&E senior executive mentors, other PG&E business partners and diverse owners committed to developing their businesses. WMDVLGBTBE participants in the Supplier Development Program benefit from:

- Executive mentorship
- Cross-functional supplier development team support
- Quality certification training
- Educational scholarships to management development programs
- Detailed business analysis (i.e. strengths, weaknesses, opportunities, threats analysis)
- Customized business development plans

Twenty WMDVLGBTBEs have graduated since PG&E's formal Supplier Development Program launched in 2010.



## EXTERNAL PROGRAM ACTIVITIES

### LGBTBE Inclusion and Outreach

PG&E has included LGBTBEs in its Supplier Diversity Program and corporate supplier diversity policy since 2012. Over the last six years, PG&E focused on incorporating LGBTBE considerations into internal training, prime supplier training, WMDVLGBTBE technical assistance and targeted matchmaking.

While there continue to be challenges related to the limited number and types of LGBTBEs that have capacity to meet PG&E's specific industry needs, the company achieved greater success in 2018. PG&E spend with LGBTBEs increased by more than 70 percent, from \$1.4 million in 2017 to \$2.5 million in 2018. PG&E also increased the number of LGBTBEs it worked with as direct and subcontracting suppliers to nine in 2018.

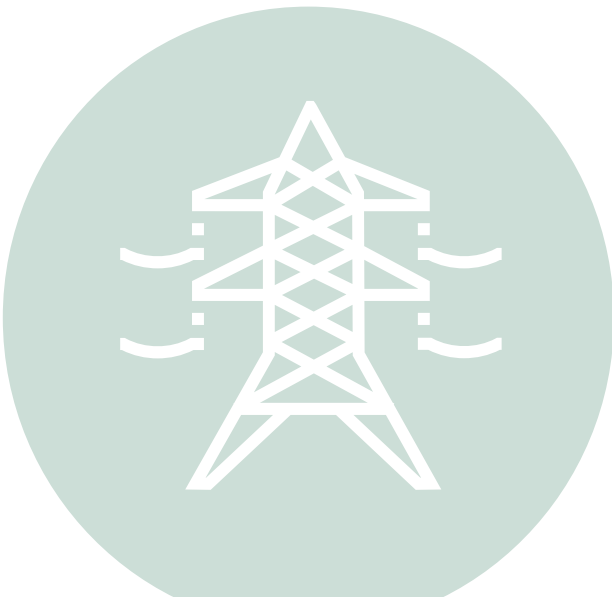
**These results were bolstered by increased internal efforts to engage with LGBTBEs. PG&E facilitated business introductions internally by targeting at least one LGBTBE to introduce to LOB decision makers.**

**The following are examples of this work:**

- In 2017, PG&E met an LGBTBE at a Golden Gate Business Association event. As part of its targeted matchmaking activities, the Supply Chain Responsibility team introduced this LGBTBE to key PG&E decision makers in Sourcing and Land and Environmental Management. These mentors then introduced the owner to other environmental suppliers and business partners. As a result of these introductions, this LGBTBE executed contracts with three prime suppliers to work on PG&E projects, as well as Caltrans and other environmental projects in the region.
- The Supply Chain Responsibility team introduced another LGBTBE to PG&E's IT sourcing director. The LGBTBE offered a solution to fill positions needing unique IT subject matter expertise so he shared their capabilities with the IT department and PG&E's managed services provider. As a result, this LGBTBE now works under the managed services provider to identify subject matter experts for the IT department.

**PG&E also highlighted existing successful relationships with LGBTBEs:**

One particular LGBTBE has worked with PG&E for more than a decade by helping the company improve compliance with California's residential and non-residential building and appliance energy efficiency standards. PG&E partnered with this LGBTBE to publish an article in *Affinity Inc. Magazine* in 2018 regarding this successful relationship. The article, "PG&E Has Only Scratched the Surface in Developing Partnerships with LGBTQ Business Enterprises," highlighted the value this LGBTBE brings to PG&E's work in energy efficiency.



**In addition to an internal focus on LGBTBEs, PG&E also increased collaboration with local LGBTBE chambers—Golden Gate Business Association, Rainbow Chamber of Silicon Valley, Rainbow Chamber of Sacramento—as well as the National LGBT Chamber of Commerce (NGLCC). PG&E sponsored and attended several events focused on identifying and developing LGBTBEs:**

- BART LGBT Business Connection (June 12)
- Golden Gate Business Association Power Lunch IV and VIP Gala Reception (March 15–16)
- Golden Gate Business Association Construction and Related Industries Reception (November 7)
- Mega Make Contact at BMW of San Francisco hosted by the Golden Gate Business Association (May 15)
- National Business Inclusion Consortium Best of the Best Dinner (April 17–19)
- NGLCC Business and Leadership Conference, Supply Chain Task Force Meeting (August 13–17)
- PG&E's LGBT PRIDE Month Celebration: Out for Business Weekly Webinar (June)
  - 6 Tips for Doing Business with PG&E (June 8)
  - Marketing Your Business (June 15)
  - Sustainability: A Competitive Advantage (June 22)
  - The Science of Selling (June 29)
- Rainbow Chamber of Commerce, Silicon Valley Luncheon (January 26)
- Rainbow Chamber of Commerce, Silicon Valley “How to do Business and Leverage your LGBT Certification” webinar (October 10)
- Western Business Alliance, LGBT Economic Summit and Conference (March 15)

#### **Recognition for PG&E's LGBTBE Work**

- PG&E was honored by the National Business Inclusion Consortium as a 2018 Best of the Best Corporation recognizing outstanding achievement in promoting cross-segment diversity and inclusion.
- PG&E received the 2018 LGBTQ Corporate Eminence Award from Business Equality (BEQ) Pride Magazine for outstanding efforts to include the LGBTQ business community. The magazine featured PG&E on its Volume 3 cover and complemented this with a five-page article spread.
- PG&E was recognized in Black EOE Journal's Best of the Best 2018 as one of the Top LGBT-friendly companies.

PG&E remains committed to growing its efforts, activities and spend with LGBTBEs.

## DVBE Inclusion and Outreach

In 2018, PG&E once again exceeded the 1.5 percent CPUC goal for DVBEs by spending more than \$321.7 million, 4.5 percent of overall procurement spend, with DVBEs. PG&E continued to support internal and external activities to promote DVBE inclusion, engage with the DVBE community, provide training and connect DVBEs to contracting opportunities.

The Supply Chain Responsibility team works closely with the Elite Service-Disabled Veteran-Owned Business (SDVOB) Network, the U.S. Veterans Business Alliance, and their local affiliates, to offer trainings to DVBEs.

### **PG&E sponsored and attended many events in support of DVBEs in 2018:**

- Elite SDVOB Network National Convention
- Elite SDVOB Network, Northern California Chapter's Northern California Conference
- PG&E's Annual DVBE Boots to Business Workshop
- U.S. Veterans Business Alliance Keeping the Promise Conference
- U.S. Veterans Business Alliance Salute to Veterans Day Breakfast and Corporate Advisory Board Meeting

DVBEs also attended in-person Prime Supplier Academy trainings to learn how to successfully implement supply chain responsibility initiatives of their own, as well as to network with other PG&E prime suppliers.

### **Recognition for PG&E's DVBE Work:**

- U.S. Veterans Business Alliance recognized PG&E with the 2018 California Public Utilities Award for spending more than five percent with DVBEs.
- *U.S. Veterans Magazine* named PG&E to its 2018 Best of the Best list of Top Veteran-Friendly Companies and Top Supplier Diversity Programs.

## Loan Fund

PG&E continues to support access to capital for diverse suppliers. As in years past, PG&E continued as an investor in the Business Consortium Fund (BCF). The BCF is a minority business development company created by the National Minority Supplier Development Council to provide contract financing to certified MBEs through a network of local participating banks.

## External Communications

In 2018, PG&E continued to publish diverse supplier success stories and was featured in 17 external articles throughout the year. These articles educated supplier diversity advocates and the diverse business community on best practices, resources and WMDVLGBTBE pathways to success. PG&E print ads also appeared in several diverse publications and event program brochures throughout the year. These ads linked readers to resources available at the company's website. They also highlighted PG&E's decades-long commitment to supplier diversity.

### **PG&E published articles and/or advertisements in the following publications:**

- *Affinity Inc. Magazine*
- *Professional Woman's Magazine*
- *Diversity Professional Magazine*
- *San Francisco Business Times*
- *Minority Business Entrepreneur Magazine*
- *U.S. Veterans Magazine*
- *Minority Business News USA*
- *Women's Enterprise USA*
- *Philippines Today Bay Area*

PG&E also increased coverage of its supplier diversity program successes on social media platforms including Twitter and LinkedIn. Throughout the year, PG&E tweeted and posted story links related to its supplier diversity recognitions.



## Awards and Recognition

PG&E's supplier diversity program continues to be recognized for its contributions to the diverse business community. PG&E received the following awards and recognitions in 2018:

Organization	Recognition
Billion Dollar Roundtable	Billion Dollar Roundtable member for procuring more than \$1.0 billion annually from certified diverse-owned businesses on a first-tier basis
Women's Business Enterprise National Council	America's Top Companies for Women-Owned Businesses
U.S. Hispanic Chamber of Commerce	Million Dollar Club: \$500 million-\$1 billion category
BEQ Pride Magazine	2018 LGBTQ Corporate Eminence Award
U.S. Veterans Business Alliance	California Public Utilities Award for spending more than 5 percent with DVBEs
San Francisco Business Times	20 Top Bay Area Companies for Supplier Diversity
Omnikal	Top 50 Organizations for Multicultural Business Opportunities—PG&E ranked number 21
Diversity Inc	Top 5 Utilities for Diversity—PG&E ranked number 2
MBN USA Magazine	2018 Best of the Decade—recognitions for Geisha Williams, Gun Shim, Joan Kerr MBN USA 2018 Buyers of the Year—Jennifer Price, Ron Martine
WE USA	Top 100 Corporations of the Year for Diversity
Black EOE Journal	Best of the Best 2018: Supplier Diversity Programs, Top LGBT-Friendly Companies, Top Utilities
U.S. Veterans Magazine	Best of the Best 2018: Top Veteran Friendly Companies, Top Supplier Diversity Programs
Professional Women's Magazine	Best of the Best: Top Supplier Diversity Program
DIVERSEability Magazine	2018 Best of the Best Top Disability-Friendly Companies
Environmental Leader	2018 Environmental Leader 75
S&P Global Platts	Global Energy Awards: Award of Excellence—Power
Sustainable Purchasing Leadership Council	Outstanding Case Study: PG&E's The Sustainability Project Web-Based Tool

## Outreach

In 2018, PG&E participated in many local, state and national supplier diversity events to meet with qualified prospective WMDVLGBTBEs. The Supply Chain Responsibility team and its Outreach Ambassadors benchmarked and shared best practices with other corporations, connected prime suppliers to WMDVLGBTBEs and educated prospective suppliers on what it takes to compete for business.

### PG&E sponsored and/or participated in the following activities:

- American Association of Blacks in Energy—2018 AABE National Conference
- American Indian Chamber of Commerce—15th Annual Expo
- American Indian Chamber of Commerce—Annual Heritage Month Luncheon and Scholarship Awards
- Asians in Energy Summit: Integrated New Energy Solutions for Sustainable Communities

- Billion Dollar Roundtable 2018 Annual Meeting, Summit Reception and Dinner
- California Asian Pacific Chamber of Commerce—Asian and Pacific Islanders Legislative Caucus Dinner
- California Asian Pacific Chamber of Commerce—Fifth Annual California Policy Summit
- California Asian Pacific Chamber of Commerce—International Consulate Summit
- California Asian Pacific Chamber of Commerce—Minority Women Business Conference
- California Black Chamber of Commerce—Ron Brown Business and Economic Summit
- California Hispanic Chamber of Commerce—2018 Annual Convention
- California Hispanic Chamber of Commerce—Economic Summit
- California Hispanic Chamber of Commerce—ELEVATE: A Procurement Symposium
- California Public Utilities Commission—Small and Diverse Business Expo, Long Beach
- California Public Utilities Commission—Small and Diverse Business Expo, San Ramon
- California Small Business Association—California Small Business Day
- DistribuTECH Conference and Exhibition
- Diversity Alliance for Science—Eleventh Annual East Coast Conference
- Edison Electric Institute—Business Diversity Conference
- Electric Utility Industry Sustainable Supply Chain Alliance—Sustainable Sourcing Conference
- Elite SDVOB Network—Annual National Convention
- Elite SDVOB Network, Northern California Chapter—Second Northern California Conference
- Emerald Cities Collaborative—San Francisco Energy Efficiency and Renewable Energy Construction Forecast and How to Bid on Public-Sector Energy Efficiency Contracts
- Fresno Chamber of Commerce Foundation—Small Business University Workshop
- Golden Gate Business Association—Construction and Related Industries Reception
- Golden Gate Business Association—Power Lunch IV and VIP Gala Reception
- Greenlining Institute—Economic Summit: Justice Rising—Our History. Our Future.
- Industry Council for Small Business Development—Small Business Workshop
- JFK University—Business Growth and Acceleration Program Graduation
- National Asian American Coalition—Economic Development Conference: Strengthening Communities
- National Association of Minority Companies—National Leadership Diversity Summit
- National Association of Women Business Owners, California—Propel Your Business Conference
- National Association of Women Business Owners, California—Women of Color: Scale Your Business and Succeed
- National Business Inclusion Consortium—2018 NBIC Best of the Best Awards Dinner and Cross Segment Matchmaker Meetings
- National Minority Supplier Development Council—Leadership Awards
- National Minority Supplier Development Council—National Conference
- National Minority Supplier Development Council—Program Managers Seminar
- National Utilities Diversity Council—4th Annual Brooklyn Brainstorm Conference
- NGLCC—2017 International Business and Leadership Conference, Supply Chain Task Force Meeting
- NorCal PTAC—North Coast Procurement Workshop and Expo
- Oakland Small Business Week—Contracts and Procurement Workshop and Trade Fair
- Omnikal—Eighteenth National Business Awards Ceremony

- PG&E—Asian and Pacific Islander Heritage Month Celebration Workshop
- PG&E—Black History Month Celebration Workshop
- PG&E—Business Tune-Up Workshop: Process Improvement + Meet the Primes
- PG&E—Business Tune-Up Workshop: Risk Management + Meet the Primes + Hispanic Heritage Month Celebration
- PG&E—Business Tune-Up Workshop: Root Cause Analysis + Meet the Primes
- PG&E—Diverse Suppliers Go Global: Strategies to Compete in the Global Marketplace
- PG&E—Energy Efficiency Solicitations Matchmaker
- PG&E—Meet PG&E and Its Gas and Electric Primes
- PG&E—Out for LGBT Business Pride Month Webinar Series: Becoming Competitive in a Sustainable Marketplace
- PG&E—Out for LGBT Business Pride Month Webinar Series: Effective and Strategic Ways to Market Your Business
- PG&E—Out for LGBT Business Pride Month Webinar Series: Six Tips for Doing Business with PG&E
- PG&E—Out for LGBT Business Pride Month Webinar Series: The Science of Selling
- PG&E—Prime Supplier Academy: Building Your Bench: Preparing for Your Future Supply Chain Needs
- PG&E—Prime Supplier Academy: Collaboration: Industry Forums and Tradeshow
- PG&E—Prime Supplier Academy: How to Account for and Report Greenhouse Gases
- PG&E—Prime Supplier Academy: Meet Your Supplier Diversity Goals via Supply Chain Analysis
- PG&E—Prime Supplier Academy: Metrics and Accountability, Processes and Tools
- PG&E—Prime Supplier Academy: Supplier Development Programs
- PG&E—Small Business Consultation and Feedback Forum
- PG&E—Small Business Outreach Event for Diablo Canyon Decommissioning Project
- PG&E—Strategic Sourcing Webinar Series: Capabilities
- PG&E—Strategic Sourcing Webinar Series: Contract Management
- PG&E—Strategic Sourcing Webinar Series: Contract Negotiations
- PG&E—Strategic Sourcing Webinar Series: RFX Process
- PG&E—Supplier Code of Conduct Training
- PG&E, in partnership with Fresno Black Chamber of Commerce, California Department of Transportation, Department of General Services—How to Compete for Business in the Construction Industry and Safety Training
- PG&E, in partnership with Silicon Valley Black Chamber of Commerce—Certify and Do Business: Small Business Workshop
- PG&E, in partnership with Small Business Administration—Business to Business Resources and Tools for Small and Diverse Suppliers
- PG&E, in partnership with Small Business Administration, U.S. Veterans Business Alliance, Elite SDVOB Network—DVBE Boots to Business
- Rainbow Chamber of Commerce—How to Successfully Compete for Corporate Business Webinar
- Rainbow Chamber of Commerce, Sacramento—2017 Annual Gala
- Rainbow Chamber of Commerce, Silicon Valley—Connect: 2018
- Rainbow Chamber of Commerce, Silicon Valley—First Annual Celebrating Success Luncheon
- Sacramento Public Agency Consortium—2018 Regional Connecting Point
- San Francisco African American Chamber of Commerce—Juneteenth 2018 Business Forum and Gala Awards Dinner



- Small Business Administration—2017 Small Business Week Workshop
- Sustainable Purchasing Leadership Council—2018 SPLC Summit + Connect
- UCLA—Management Development for Entrepreneurs Program Graduation
- U.S. Department of Transportation and California Asian Pacific Chamber of Commerce—Disadvantaged Business Enterprise Conference: I am Small Business
- U.S. Hispanic Chamber of Commerce—National Convention
- U.S. Pan Asian Pacific American Chamber of Commerce—CelebrAsian Procurement Conference
- U.S. Veterans Business Alliance—Keeping the Promise Conference
- Univision—Small Business Expo
- Utility Supply Management Alliance—Annual Conference
- WEConnect International—Annual Global Supplier Diversity and Inclusion Symposium and Gala, Annual Conference
- Western Business Alliance, LGBT Economic Summit and Conference
- Western Regional Minority Supplier Development Council—Annual Meeting and Holiday Luncheon
- Western Regional Minority Supplier Development Council—Board Planning Meeting
- Western Regional Minority Supplier Development Council—Excellence in Supplier Diversity Awards Gala
- Western Regional Minority Supplier Development Council—Minority Business Expo: Bridges to Success
- Western Regional Minority Supplier Development Council—Supplier Diversity Best Practices Corporate Lunch and Learn
- Women’s Business Enterprise National Council—National Conference
- Women’s Business Enterprise National Council—Summit and Salute Conference

**PG&E’s Supplier Diversity team actively participated in the following organizations:**

- American Indian Chamber of Commerce: Advisory Board
- California Asian Pacific Chamber of Commerce: Board Member
- Electric Utility Industry Sustainable Supply Chain Alliance: Executive Committee Past Chair, Board
- Institute for Supply Management: Supplier Diversity Board Member
- National Minority Supplier Development Council: Board of Directors, Strategic Advisory Council, Utility Industry Group
- National Utility Diversity Council: Board Executive Committee
- NGLCC: Corporate Council Member, Procurement Council Member, Supply Chain Task Force Co-Chair
- Sustainable Purchasing Leadership Council: Board Executive Committee
- U.S. Business Leadership Network: Procurement Council Member
- U.S. Veterans Business Alliance: Corporate Advisory Board
- Western Regional Minority Supplier Development Council: Board Member
- WEConnect International: Board Treasurer

PG&E also supports other local organizations through its Community Affairs and Government Affairs departments.

## Summary of Purchases (Sec 9.1.2)

### WMDVLGBTBE Annual Results by Ethnicity

		Direct \$	Sub \$	Total \$	%
MALE	Asian Pacific American	\$192,663,920	\$33,116,606	\$225,780,527	3.14%
	African American	\$278,194,380	\$68,222,281	\$346,416,660	4.81%
	Hispanic American	\$361,005,792	\$243,769,066	\$604,774,857	8.40%
	Native American	\$60,229,727	\$11,872,112	\$72,101,839	1.00%
	<b>Total Minority Male</b>	<b>\$892,093,819</b>	<b>\$356,980,064</b>	<b>\$1,249,073,883</b>	<b>17.36%</b>
FEMALE	Asian Pacific American	\$292,169,918	\$26,486,068	\$318,655,986	4.43%
	African American	\$65,405,064	\$250,664	\$65,655,727	0.91%
	Hispanic American	\$131,749,453	\$20,333,028	\$152,082,481	2.11%
	Native American	\$22,371,708	\$19,792,144	\$42,163,852	0.59%
	<b>Total Minority Female</b>	<b>\$511,696,142</b>	<b>\$66,861,904</b>	<b>\$578,558,046</b>	<b>8.04%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>\$1,403,789,961</b>	<b>\$423,841,968</b>	<b>\$1,827,631,930</b>	<b>25.39%</b>
<b>Women Business Enterprise (WBE)</b>		<b>\$593,990,862</b>	<b>\$235,917,733</b>	<b>\$829,908,594</b>	<b>11.53%</b>
<b>Lesbian, Gay Bisexual, Transgender Business Enterprise (LGBTBE)</b>		<b>\$1,429,407</b>	<b>\$1,072,062</b>	<b>\$2,501,469</b>	<b>0.03%</b>
<b>Disabled Veteran Business Enterprise (DVBE)</b>		<b>\$257,496,260</b>	<b>\$64,195,681</b>	<b>\$321,691,941</b>	<b>4.47%</b>
<b>Other 8(a)*</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>Total WMDVLGBTBE</b>		<b>\$2,256,706,490</b>	<b>\$725,027,444</b>	<b>\$2,981,733,934</b>	<b>41.43%</b>

<b>Net Procurement**</b>	<b>\$7,197,032,801</b>
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**NOTE:**

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

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

**Direct:** Direct procurement

**Sub:** Subcontractor procurement

**%:** Percentage of net procurement

Totals may not add due to rounding.

## Summary of Purchases (Sec 9.1.2)

### WMDVLGBTBE Direct Procurement by Product and Service Categories

		Products		Services		Total	
		DIRECT \$	%	DIRECT \$	%	DIRECT \$	%
MALE	Asian Pacific American	\$25,832,727	2.15%	\$166,831,193	2.78%	\$192,663,920	2.68%
	African American	\$89,323,645	7.45%	\$188,870,735	3.15%	\$278,194,380	3.87%
	Hispanic American	\$93,615,701	7.81%	\$267,390,091	4.46%	\$361,005,792	5.02%
	Native American	\$4,216,564	0.35%	\$56,013,163	0.93%	\$60,229,727	0.84%
	<b>Total Minority Male</b>	<b>\$212,988,637</b>	<b>17.76%</b>	<b>\$679,105,182</b>	<b>11.32%</b>	<b>\$892,093,819</b>	<b>12.40%</b>
FEMALE	Asian Pacific American	\$245,094,706	20.44%	\$47,075,212	0.78%	\$292,169,918	4.06%
	African American	\$0	0.00%	\$65,405,064	1.09%	\$65,405,064	0.91%
	Hispanic American	\$57,409,898	4.79%	\$74,339,555	1.24%	\$131,749,453	1.83%
	Native American	\$7,958,584	0.66%	\$14,413,124	0.24%	\$22,371,708	0.31%
	<b>Total Minority Female</b>	<b>\$310,463,188</b>	<b>25.89%</b>	<b>\$201,232,954</b>	<b>3.35%</b>	<b>\$511,696,142</b>	<b>7.11%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>\$523,451,825</b>	<b>43.66%</b>	<b>\$880,338,136</b>	<b>14.68%</b>	<b>\$1,403,789,961</b>	<b>19.51%</b>
<b>Women Business Enterprise (WBE)</b>		<b>\$121,896,780</b>	<b>10.17%</b>	<b>\$472,094,082</b>	<b>7.87%</b>	<b>\$593,990,862</b>	<b>8.25%</b>
<b>Lesbian, Gay Bisexual, Transgender Business Enterprise (LGBTBE)</b>		<b>\$339,008</b>	<b>0.03%</b>	<b>\$1,090,399</b>	<b>0.00%</b>	<b>\$1,429,407</b>	<b>0.02%</b>
<b>Disabled Veteran Business Enterprise (DVBE)</b>		<b>\$7,237,870</b>	<b>0.60%</b>	<b>\$250,258,390</b>	<b>4.17%</b>	<b>\$257,496,260</b>	<b>3.58%</b>
<b>Other 8(a)*</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.00%</b>
<b>Total WMDVLGBTBE</b>		<b>\$652,925,483</b>	<b>54.46%</b>	<b>\$1,603,781,007</b>	<b>26.74%</b>	<b>\$2,256,706,490</b>	<b>31.36%</b>

<b>Total Product Procurement</b>	\$1,198,969,492
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<b>Total Service Procurement</b>	\$5,998,063,309
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<b>Net Procurement**</b>	\$7,197,032,801
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<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>	455
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**NOTE:**

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

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

**Direct:** Direct procurement

**Sub:** Subcontractor procurement

**%:** Percentage of net procurement

Totals may not add due to rounding.

Summary of Purchases (Sec 9.1.2)

WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

		Products		Services		Total	
		SUB \$	%	SUB \$	%	SUB \$	%
MALE	Asian Pacific American	N/A	N/A	N/A	N/A	\$33,116,606	0.46%
	African American	N/A	N/A	N/A	N/A	\$68,222,281	0.95%
	Hispanic American	N/A	N/A	N/A	N/A	\$243,769,066	3.39%
	Native American	N/A	N/A	N/A	N/A	\$11,872,112	0.16%
	<b>Total Minority Male</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$356,980,064</b>	<b>4.96%</b>
FEMALE	Asian Pacific American	N/A	N/A	N/A	N/A	\$26,486,068	0.37%
	African American	N/A	N/A	N/A	N/A	\$250,664	0.00%
	Hispanic American	N/A	N/A	N/A	N/A	\$20,333,028	0.28%
	Native American	N/A	N/A	N/A	N/A	\$19,792,144	0.28%
	<b>Total Minority Female</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$66,861,904</b>	<b>0.93%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$423,841,968</b>	<b>5.89%</b>
<b>Women Business Enterprise (WBE)</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$235,917,733</b>	<b>3.28%</b>
<b>Lesbian, Gay Bisexual, Transgender Business Enterprise (LGBTBE)</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,072,062</b>	<b>0.01%</b>
<b>Disabled Veteran Business Enterprise (DVBE)</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$64,195,681</b>	<b>0.89%</b>
<b>Other 8(a)*</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$0</b>	<b>0.00%</b>
<b>Total WMDVLGBTBE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$725,027,444</b>	<b>10.07%</b>

<b>Total Product Procurement</b>	\$1,198,969,492
<b>Total Service Procurement</b>	\$5,998,063,309

<b>Net Procurement**</b>	\$7,197,032,801
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**NOTE:**

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

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

**Direct:** Direct procurement

**Sub:** Subcontractor procurement

**%:** Percentage of net procurement

Totals may not add due to rounding.

## Summary of Purchases (Sec 9.1.2)

### WMDVLGBTBE Procurement Standard Industrial Classification (SIC) Code Legend

	Major Group Description	Description of Items		Major Group Description	Description of Items
07	Agricultural Services	Ornamental Shrub and Tree Services, Ornamental Floriculture	46	Pipelines, Except Natural Gas	Pipelines
15	General Business Contractors	Industrial Buildings and Warehouses, Residential Buildings, other than Single-Family	47	Transportation Services	Arrangement of Transportation of Freight and Cargo
17	Special Trade Contractors	Carpentry Work, Concrete, Electrical, Excavation	48	Communications	Telephone Communications, Communications Services
24	Lumber and Wood Products	Wood Poles	49	Electric, Gas and Sanitary Services	Refuse Systems, Electric Services (Hydroelectric Power Generation)
25	Furniture and Fixtures	Office Furniture, Metal Household Furniture	50	Wholesale Trade-Durable Goods	Electrical Apparatus and Equipment, Wiring Supplies and Construction Materials, Computers
26	Paper and Allied Products	Envelopes, Coated Paper, Paper Mills	51	Wholesale Trade-Nondurable Goods	Petroleum and Petroleum Products Wholesalers, Stationery and Office Supplies
27	Printing and Publishing	Bookbinding and Related Work, Typesetting, Commercial Printing	52	Building Materials and Garden Supplies	Hardware Stores, Lumber and Other Building Materials
28	Chemicals and Allied Products	Chemical Preparation, Industrial Chemicals, Paints, Varnishes	55	Automotive Dealers and Service Stations	Motor Vehicle Dealers
29	Petroleum and Coal Products	Lubricating Oils and Greases	56	Apparel and Accessory Stores	Miscellaneous Apparel and Accessory Stores
30	Rubber and Misc. Plastics Products	Plastic Products, Rubber and Plastic Hoses	58	Eating and Drinking Places	Eating and Drinking Places
32	Stone, Clay and Glass Products	Concrete Products, Ready-Mixed Concrete, Cement	63	Insurance Carriers	Fire, Marine and Casualty Insurance
33	Primary Metal Industries	Primary Metal Products, Steel Pipes	65	Real Estate	Real Estate Agents and Managers
34	Fabricated Metal Products	Heating Equipment, Fabricated Structural Metals, Miscellaneous Fabricated Wire Products	72	Personal Services	Hotels and Motels
35	Industrial Machinery and Equipment	Mechanical Power Transmission Equipment, Steam, Gas and Hydraulic Turbines and Turbine Generator Set Units	73	Business Services	Help Supply Services, Computer Programming Services, Advertising Agencies
36	Electronic and Other Electric Equipment	Switchgear and Switchboard Apparatus, Power, Distribution and Speciality Transformers	75	Auto Repair, Services and Parking	Top, Body and Upholstery Repair Shops and Paint Shops, Automotive Repair Shops
37	Transportation Equipment	Truck and Bus Bodies, Aircraft Engines and Engine Parts	76	Miscellaneous Repair Services	Electrical and Electronic Repair Shops
38	Instruments and Related Products	Instruments For Measuring and Testing of Electricity and Electrical Signals	78	Motion Pictures	Motion Picture and Video Tape Production
39	Miscellaneous Manufacturing Industries	Signs and Advertising Specialties, Marking Devices	80	Health Services	Offices and Clinics of Doctors of Medicine
42	Trucking and Warehousing	Local Trucking	81	Legal Services	Law Firms
45	Transportation by Air	Air Transportation	87	Engineering and Management Services	Engineering Services, Accounting, Auditing and Bookkeeping Services, Management Consulting Services

Supplier Diversity Procurement by Standard Industrial Classification (SIC) Code—Detail (9.1.2)

		Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDVLGBTBE	Total Procurement	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE								
07	Agricultural Services	\$	\$0	\$3,968,282	\$0	\$0	\$104,574,500	\$67,232	\$59,130	\$0	\$108,669,144	\$36,382,273	\$0	\$13,355,626	\$0	\$158,407,043	\$472,933,730
		%	0.00%	0.84%	0.00%	0.00%	22.11%	0.01%	0.01%	0.00%	22.98%	7.69%	0.00%	2.82%	0.00%	33.49%	
15	General Business Contractors	\$	\$260,953	\$23,870	\$647,358	\$0	\$66,258,113	\$11,327,683	\$3,498,412	\$2,026,760	\$84,043,149	\$126,456,463	\$0	\$73,668,572	\$0	\$284,168,185	\$1,264,494,563
		%	0.02%	0.00%	0.05%	0.00%	5.24%	0.90%	0.28%	0.16%	6.65%	10.00%	0.00%	5.83%	0.00%	22.47%	
17	Special Trade Contractors	\$	\$0	\$8,394,493	\$449,266	\$0	\$53,092,331	\$261,581	\$51,250,426	\$6,020,098	\$119,468,196	\$90,438,545	\$0	\$11,596,798	\$0	\$221,503,539	\$520,707,229
		%	0.00%	1.61%	0.09%	0.00%	10.20%	0.05%	9.84%	1.16%	22.94%	17.37%	0.00%	2.23%	0.00%	42.54%	
24	Lumber and Wood Products	\$	\$712,751	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$712,751	\$1,470,093	\$0	\$0	\$0	\$2,182,844	\$9,873,747
		%	7.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.22%	14.89%	0.00%	0.00%	0.00%	22.11%	
25	Furniture and Fixtures	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,906,212
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
26	Paper and Allied Products	\$	\$0	\$0	\$0	\$0	\$77,462	\$0	\$0	\$0	\$77,462	\$0	\$0	\$0	\$0	\$77,462	\$220,647
		%	0.00%	0.00%	0.00%	0.00%	0.00%	35.11%	0.00%	0.00%	35.11%	0.00%	0.00%	0.00%	0.00%	35.11%	
27	Printing and Publishing	\$	\$282,202	\$0	\$0	\$0	\$24,334	\$0	\$0	\$0	\$306,536	\$1,212,360	\$0	\$0	\$0	\$1,518,896	\$4,481,731
		%	6.30%	0.00%	0.00%	0.00%	0.00%	0.54%	0.00%	0.00%	6.84%	27.05%	0.00%	0.00%	0.00%	33.89%	
28	Chemicals and Allied Products	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$691,109	\$0	\$0	\$0	\$691,109	\$9,681,604
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.14%	0.00%	0.00%	0.00%	7.14%	
29	Petroleum and Coal Products	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$431,883
		%	0.00%	0.00%	0.00%	0.00%	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
30	Rubber and Misc. Plastics Products	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,631,761
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
32	Stone, Clay and Glass Products	\$	\$0	\$0	\$0	\$0	\$118,445	\$0	\$0	\$0	\$118,445	\$0	\$0	\$0	\$0	\$118,445	\$11,517,533
		%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	0.00%	0.00%	1.03%	0.00%	0.00%	0.00%	0.00%	1.03%	
33	Primary Metal Industries	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,931	\$0	\$0	\$0	\$5,931	\$1,197,208
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.00%	0.00%	0.00%	0.50%	
34	Fabricated Metal Products	\$	\$0	\$162,101	\$0	\$0	\$7,003,081	\$0	\$0	\$0	\$7,165,183	\$21,889	\$0	\$0	\$0	\$7,187,072	\$80,454,521
		%	0.00%	0.20%	0.00%	0.00%	8.70%	0.00%	0.00%	0.00%	8.91%	0.03%	0.00%	0.00%	0.00%	8.93%	
35	Industrial Machinery and Equipment	\$	\$2,844,607	\$234,336	\$97,071,777	\$0	\$2,622,777	\$1,272	\$39,004	\$0	\$102,813,774	\$5,660,151	\$0	\$253,498	\$0	\$108,727,423	\$228,415,698
		%	1.25%	0.10%	42.50%	0.00%	1.15%	0.00%	0.02%	0.00%	45.01%	2.48%	0.00%	0.11%	0.00%	47.60%	
36	Electronic and Other Electric Equipment	\$	\$4,756,437	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,756,437	\$23,777,076	\$0	\$0	\$0	\$28,533,513	\$89,215,147
		%	5.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.33%	26.65%	0.00%	0.00%	0.00%	31.98%	
37	Transportation Equipment	\$	\$0	\$0	\$0	\$0	\$0	\$4,091,501	\$0	\$0	\$4,091,501	\$0	\$0	\$6,669,853	\$0	\$10,761,354	\$11,304,892
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	36.19%	0.00%	36.19%	0.00%	0.00%	59.00%	0.00%	95.19%	
38	Instruments and Related Products	\$	\$14,553	\$0	\$8,433,268	\$0	\$111,250	\$0	\$0	\$0	\$8,559,071	\$22,307	\$0	\$4,312,337	\$0	\$12,893,716	\$68,371,169
		%	0.02%	0.00%	12.33%	0.00%	0.16%	0.00%	0.00%	0.00%	12.52%	0.03%	0.00%	6.31%	0.00%	18.86%	
39	Miscellaneous Manufacturing Industries	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,481,162	\$0	\$0	\$0	\$4,481,162	\$6,380,815
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	70.23%	0.00%	0.00%	0.00%	70.23%	
42	Trucking and Warehousing	\$	\$0	\$0	\$0	\$4,160,941	\$0	\$64,831	\$0	\$5,110,680	\$9,336,451	\$3,177,553	\$0	\$0	\$0	\$12,514,004	\$14,080,726
		%	0.00%	0.00%	0.00%	29.55%	0.00%	0.46%	0.00%	36.30%	66.31%	22.57%	0.00%	0.00%	0.00%	88.87%	
45	Transportation by Air	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,320,199	\$0	\$0	\$0	\$10,320,199	\$45,197,443
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.83%	0.00%	0.00%	0.00%	22.83%	
46	Pipelines, Except Natural Gas	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

Supplier Diversity Procurement by SIC Code—Detail (9.1.2) continued

		Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)	Total WMDV/LGBTBE	Total Procurement	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE								
47	Transportation Services	\$	\$3,292	\$231,417,386	\$5,125,324	\$199,308	\$2,082,389	\$1,482,594	\$0	\$0	\$240,310,293	\$1,915,171	\$0	\$340,817	\$0	\$242,566,281	\$231,758,604
		%	0.00%	99.85%	2.21%	0.09%	0.90%	0.64%	0.00%	0.00%	103.69%	0.83%	0.00%	0.15%	0.00%	104.66%	
48	Communications	\$	\$0	\$0	\$0	\$441,772	\$0	\$0	\$0	\$0	\$441,772	\$0	\$0	\$0	\$0	\$441,772	\$9,194,858
		%	0.00%	0.00%	0.00%	0.00%	4.80%	0.00%	0.00%	0.00%	4.80%	0.00%	0.00%	0.00%	0.00%	4.80%	
49	Electric, Gas and Sanitary Services	\$	\$16,773	\$0	\$5,456	\$0	\$1,281,385	\$45,752,196	\$41,774	\$0	\$47,097,585	\$20,605,168	\$0	\$1,676,137	\$0	\$69,378,890	\$124,635,674
		%	0.01%	0.00%	0.00%	0.00%	1.03%	36.71%	0.03%	0.00%	37.79%	16.53%	0.00%	1.34%	0.00%	55.67%	
50	Wholesale Trade-Durable Goods	\$	\$32,926,556	\$8,130,114	\$0	\$0	\$85,468,526	\$73,317,991	\$85,110	\$7,903,697	\$207,831,995	\$99,099,935	\$338,933	\$1,381,286	\$0	\$308,652,149	\$468,721,696
		%	7.02%	1.73%	0.00%	0.00%	18.23%	15.64%	0.02%	1.69%	44.34%	21.14%	0.07%	0.29%	0.00%	65.85%	
51	Wholesale Trade-Nondurable Goods	\$	\$414,757	\$0	\$197,818	\$0	\$391,767	\$22,282	\$0	\$0	\$1,026,625	\$8,159,556	\$0	\$0	\$0	\$9,186,181	\$14,354,733
		%	2.89%	0.00%	1.38%	0.00%	2.73%	0.16%	0.00%	0.00%	7.15%	56.84%	0.00%	0.00%	0.00%	63.99%	
52	Building Materials and Garden Supplies	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,795,292	\$0	\$0	\$0	\$4,795,292	\$7,168,101
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	66.90%	0.00%	0.00%	0.00%	66.90%	
55	Automotive Dealers and Service Stations	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$843,579
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
56	Apparel and Accessory Stores	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148,313	\$0	\$0	\$0	\$148,313	\$1,970,746
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.53%	0.00%	0.00%	0.00%	7.53%	
58	Eating and Drinking Places	\$	\$0	\$0	\$20,637,982	\$0	\$0	\$0	\$0	\$0	\$20,637,982	\$23,816	\$0	\$0	\$0	\$20,661,798	\$160,852,430
		%	0.00%	0.00%	12.83%	0.00%	0.00%	0.00%	0.00%	0.00%	12.83%	0.01%	0.00%	0.00%	0.00%	12.85%	
63	Insurance Carriers	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$386,268
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
65	Real Estate	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,407,370	\$0	\$0	\$0	\$5,407,370	\$42,061,583
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.86%	0.00%	0.00%	0.00%	12.86%	
72	Personal Services	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,118,078
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
73	Business Services	\$	\$36,633,166	\$50,973,121	\$91,750,168	\$61,173,370	\$201,395,954	\$18,658,233	\$11,210,545	\$13,180,906	\$484,975,462	\$304,226,208	\$1,378,120	\$98,066,566	\$0	\$888,646,356	\$1,530,954,786
		%	2.39%	3.33%	5.99%	4.00%	13.15%	1.22%	0.73%	0.86%	31.68%	19.87%	0.09%	6.41%	0.00%	58.05%	
75	Auto Repair, Services and Parking	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,443,116
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
76	Miscellaneous Repair Services	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,769,054
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
78	Motion Pictures	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,905
		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
80	Health Services	\$	\$0	\$2,049,590	\$0	\$0	\$0	\$0	\$0	\$0	\$2,049,590	\$0	\$0	\$0	\$0	\$2,049,590	\$2,381,066
		%	0.00%	86.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	86.08%	0.00%	0.00%	0.00%	0.00%	86.08%	
81	Legal Services	\$	\$1,202,913	\$1,714,762	\$9,766	\$0	\$1,820,744	\$200,302	\$0	\$0	\$4,948,488	\$11,283,438	\$0	\$92,681	\$0	\$16,324,607	\$91,438,030
		%	1.32%	1.88%	0.01%	0.00%	1.99%	0.22%	0.00%	0.00%	5.41%	12.34%	0.00%	0.10%	0.00%	17.85%	
87	Engineering and Management Services	\$	\$145,711,566	\$11,587,929	\$122,088,477	\$122,109	\$78,230,266	\$706,042	\$1,825,938	\$7,921,711	\$368,194,039	\$70,127,214	\$784,416	\$110,277,770	\$0	\$549,383,438	\$1,581,475,233
		%	9.21%	0.73%	7.72%	0.01%	4.95%	0.04%	0.12%	0.50%	23.28%	4.43%	0.05%	6.97%	0.00%	34.74%	
<b>Total</b>		\$	\$225,780,527	\$318,655,986	\$346,416,660	\$65,655,727	\$604,774,857	\$152,082,481	\$72,101,839	\$42,163,852	\$1,827,631,930	\$829,908,594	\$2,501,469	\$321,691,941	\$0	\$2,981,733,934	\$7,197,032,801
		%	3.14%	4.43%	4.81%	0.91%	8.40%	2.11%	1.00%	0.59%	25.39%	11.53%	0.03%	4.47%	0.00%	41.43%	

Totals may not add due to rounding.

## WMDVLGBTBE Program Expenses (Sec 9.1.3)

Expense Category	2018 Actuals
Wages	\$1,438,803
Other Employee Expenses	\$69,614
Program Expenses	\$1,198,583
Reporting Expenses	\$0
Training	\$13,952
Consultants	\$0
Other	\$0
<b>Total</b>	<b>\$2,720,952</b>

Totals may not add due to rounding.

**Wages:** Salary and payroll-related costs of employees working on WMDVLGBTBE matters

**Other Employee Expenses:** Travel and other non-wage costs

**Program Expenses:** Material, staff augmentation, CPUC Clearinghouse, technical assistance and outreach, audit and other costs directly related to programs

**Reporting Expenses:** IT system, computer, other expenses related to preparing reports for the CPUC

**Training:** Costs related to employee training

## Description of Progress in Meeting or Exceeding Set Goals (Sec 9.1.4)

	2018 Results	2018 Goals
Minority Male	17.36%	12.00%
Minority Female	8.04%	3.00%
Minority Business Enterprise (MBE)	25.39%	15.00%
Women Business Enterprise (WBE)	11.53%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.03%	N/A
Disabled Veteran Business Enterprise (DVBE)	4.47%	1.50%
Other 8(a)	0.00%	N/A
<b>Total WMDVLGBTBE</b>	<b>41.43%</b>	<b>21.50%</b>

Totals may not add due to rounding.

PG&E spent \$3.0 billion with WMDVLGBTBEs in 2018. This represents 41.4 percent of the company's total procurement.

For the 13th year, PG&E exceeded the CPUC goal of 21.5 percent spend with WMDVLGBTBEs.



## Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors (Sec 9.1.5)

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	Total WMDVLGBTBE
<b>Direct \$</b>	\$892,093,819	\$511,696,142	\$1,403,789,961	\$593,990,862	\$1,429,407	\$257,496,260	\$0	\$2,256,706,490
<b>Subcontracting \$</b>	\$356,980,064	\$66,861,904	\$423,841,968	\$235,917,733	\$1,072,062	\$64,195,681	\$0	\$725,027,444
<b>Total \$</b>	<b>\$1,249,073,883</b>	<b>\$578,558,046</b>	<b>\$1,827,631,930</b>	<b>\$829,908,594</b>	<b>\$2,501,469</b>	<b>\$321,691,941</b>	<b>\$0</b>	<b>\$2,981,733,934</b>
<b>Direct %</b>	12.40%	7.11%	19.51%	8.25%	0.02%	3.58%	0.00%	31.36%
<b>Subcontracting %</b>	4.96%	0.93%	5.89%	3.28%	0.01%	0.89%	0.00%	10.07%
<b>Total %</b>	<b>17.36%</b>	<b>8.04%</b>	<b>25.39%</b>	<b>11.53%</b>	<b>0.03%</b>	<b>4.47%</b>	<b>0.00%</b>	<b>41.43%</b>

<b>Net Procurement**</b>	<b>\$7,197,032,801</b>
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### NOTE:

\*Firms classified as 8(a) by the Small Business Administration includes non-WMDVLGBTBE

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

%: Percentage of net procurement

**Direct:** Direct procurement

**Sub:** Subcontractor procurement

Totals may not add due to rounding.

See section 9.1.1 Internal Program Activities for details regarding PG&E's Prime Supplier Program and a description of prime contractor progress in increasing the participation of WMDVLGBTBE subcontractors.

## List of WMDVLGBTBE Complaints Received and Current Status (Sec 9.1.6)

General Order 156 Ruling on August 24, 2006 ended the requirement to summarize complaints.



## Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Areas (Sec 9.1.7)

### FINANCE AND RISK

PG&E's Finance and Risk department is committed to diversity as a core value. Encouraging inclusive and creative thinking, the Finance and Risk department seeks to identify innovative opportunities to include WMDVLGBTBEs.

PG&E's Banking and Money Management area has historically led the utility industry in establishing channels to expand its diverse supplier base and increase spending with WMDVLGBTBEs. For example, PG&E was the first California utility and the second utility in the nation to use minority-owned investment banks as joint book runners for a taxable bond offering in 2010.

In recent years, it has been challenging to find diverse banks that can provide the liquidity support and breadth of resources typically available from significantly larger institutions. Regardless, PG&E continues to be steadfast in its inclusion efforts and to value the different perspectives WMDVLGBTBEs bring.

#### 2018 Highlights:

- Banking and Money Management continued to schedule meetings with WMDVLGBTBE banks to learn more about their capabilities and assess new WMDVLGBTBE opportunities. PG&E also continued to perform an annual review of WMDVLGBTBE banks, a process it established in 2015, to assess the health of these WMDVLGBTBE banks. The resulting scorecard tracked the financial health and changing capabilities of WMDVLGBTBE banks.
- Investment Benefits Finance (Pension and Trust Fund Management) continued to partner with six WMDVLGBTBEs collectively managing nine equity, fixed income and real estate securities accounts with PG&E's Employee Benefit and Nuclear Decommissioning Trusts. PG&E's diverse-managed trust investments totaled \$2.7 billion in 2018.
- Tax, Accounting and Reporting continued its long-term relationship (since 2014) with an MBE that supports a multiyear tax project delivering tax savings and other value to PG&E.
- Risk and Audit continued to work with a WBE consulting company to perform critical work on policies and standards in risk management.

### LAW DEPARTMENT

The Law Department continued to support supplier diversity in 2018 by spending \$12.2 million with WMDVLGBTBEs and provided work opportunities for diverse professionals. PG&E worked with 38 diverse law firms in 2018, with several taking significant roles in major legal matters. In addition to its WMDVLGBTBE spend, over the last several years PG&E has prioritized utilizing diverse lawyers and paralegals at the non-diverse law firms we engage. These fees typically represent 50 percent or more of the Law Department's fee payments to non-diverse law firms. PG&E's fee calculation is not yet available for 2018 but is expected to align with this trend.

To support diversity within the legal community, financial support was provided by the Law Department to the California Bar Foundation Diversity Scholarship to fund a scholarship to a student who has significant financial need and who has been admitted to a top California law school. The department also supported the Equal Justice Works Fellowship for a recent law school graduate working with a community based non-profit organization.

Finally, the Law Department continued its support of WMDVLGBTBE legal associations at networking and diversity events, including meetings, lunches and receptions. PG&E attorneys met with numerous firms at the California Minority Counsel Program with the goal of providing WMDVLGBTBE firms and attorneys greater access to in-house counsel. In the professional development area, the Law Department participated in the Leadership Council on Legal Diversity, which focuses on the professional development and mentoring of diverse attorneys.

## Retention of All Documents/Data (Sec 9.1.8)

**PG&E has retained all documents and data it relies on in preparing its WMDVLGBTBE annual report for the longer of either three years or in conformance with the utility's individual document retention policies and shall provide these documents and data to the CPUC upon request.**

## Additional WMDVLGBTBE Activity (Sec 9.1.9)

### **ELECTRIC PROGRAM INVESTMENT CHARGE PROGRAM**

The Electric Program Investment Charge (EPIC) Program was created by the CPUC in December 2011 to drive innovative solutions that benefit the electric ratepayers of PG&E, San Diego Gas and Electric Company (SDG&E), and Southern California Edison Company (SCE). The goal of the EPIC Program is to support projects that advance new technologies that further safety, reliability and affordability while advancing California's clean energy goals.

PG&E's EPIC projects follow established program governance procedures and supplier contracting processes for externally sourced technology demonstrations. PG&E evaluates qualified suppliers on multiple factors, including but not limited to: quality, safety, value and supply chain responsibility. Through that process, PG&E continues to competitively award EPIC program work to WMDVLGBTBEs in technical assistance and other consulting services.

**PG&E engages with industry stakeholders, including WMDVLGBTBEs, by participating in and presenting at conferences, as well as hosting workshops/symposiums. EPIC administrators (PG&E, SDG&E, SCE) jointly organized educational events in 2018, including:**

- EPIC Winter Workshop in Sacramento that focused on energy efficiency,
- EPIC Fall Workshop in Fresno that focused heavily on wildfire resiliency,
- Small business collaboration to optimize the grid using Distributed Energy Resources (DER), and leverage technology to improve monitoring and maintenance.

PG&E's EPIC portfolio of active projects continues to address challenges of the changing grid landscape, such as enabling an increase in DER adoption by customers, the need to modernize the grid to ensure continued safe and reliable operation, and the continuous need to improve affordability through advancing how to leverage data. EPIC project learnings and achievements pave the path forward for technologies that are proven and ready to scale, influence the vision of the future grid by addressing upcoming challenges of a changing grid landscape and, ultimately, improving the safety, reliability and affordability of the electric grid.

The recently approved third triennial cycle of EPIC technology demonstration projects will create additional bid opportunities for WMDVLGBTBEs. Going forward, PG&E will continue to maintain EPIC transparency via webinars and workshops. Furthermore, PG&E's EPIC website ([pge.com/epic](http://pge.com/epic)) includes EPIC Program information and updates, as well as EPIC annual reports and project final reports.

# 2019 ANNUAL PLAN



## WMDVLGBTBE Annual Short-, Mid- and Long-Term Goals (Sec 10.1.1)

PG&E’s supplier diversity goals are set annually through a cross-functional process involving Supplier Diversity, Sourcing and the LOBs. PG&E uses historical information and projected spend to determine company goals. While supplier diversity goals are set at the LOB level, PG&E does not set specific goals by product and service categories. As a long-term strategy, PG&E is focused on technical assistance and supplier development strategies to support the success of WMDVLGBTBEs in all key business areas.

PG&E’s published short-, mid- and long-term WMDVLGBTBE goals mirror the recommended goals in General Order 156. A formal LGBTBE goal for General Order 156 has not been established yet. However, PG&E has set an internal LGBTBE numerical spend goal of 0.03 percent for 2019.

### WMDVLGBTBE ANNUAL SHORT-, MID- AND LONG-TERM GOALS

Short-Term 2019				Mid-Term 2020				Long-Term 2021			
MBE	WBE	DVBE	LGBTBE	MBE	WBE	DVBE	LGBTBE	MBE	WBE	DVBE	LGBTBE
15.0%	5.0%	1.5%	TBD	15.0%	5.0%	1.5%	TBD	15.0%	5.0%	1.5%	TBD

## Description of Efforts to Recruit WMDVLGBTBE Planned Program Activities for the Next Calendar Year (Sec 10.1.2)

WMDVLGBTBE inclusion is integrated into the way PG&E does business, and has been a strategic focus since launching a formal supplier diversity initiative nearly 40 years ago. As the company pursues further solutions to reduce the risks of energy delivery while intensifying focus on safety and compliance, PG&E plans to sustain its efforts to strengthen WMDVLGBTBE contributions in both traditional and emerging areas.

**PG&E’s underlying vision for its program efforts incorporate the following key values:**

- **Safety:** Champion effective safety practices and educate all suppliers, including WMDVLGBTBEs, on those requirements
- **Reliability:** Sustain best in class supplier diversity results through successful execution of strategic program initiatives
- **Affordability:** Support diverse solutions that optimize the supply chain through efficiencies and cost savings
- **Clean:** Include incumbent WMDVLGBTBEs in the supply chain sustainability performance initiative

In alignment with this vision, PG&E will continue to develop ongoing strategic program activities in the following areas for 2019.

- **Goal Development and Alignment:** Cross-functionally develop goals and drive alignment and accountability across each LOB
- **Supplier Development:** Identify opportunities for and support the development of WMDVLGBTBEs to grow and be competitive in the supply chain
- **Prime Supplier Education:** Encourage increased prime supplier support of PG&E's supply chain responsibility initiatives through the Prime Supplier Academy
- **Subcontracting Performance:** Educate prime suppliers on the requirements for accurate reporting and encourage achievable subcontracting goals
- **LGBTBE Inclusion:** Educate LGBTBEs on the value of certification and identify opportunities for inclusion
- **Outreach:** Support activities and organizations that align with PG&E's supplier diversity goals
- **Communications and Training:** Continue to communicate and educate both internal and external stakeholders about PG&E's Supplier Diversity Program
- **Supplier Recognition:** Recognize the excellent performance of WMDVLGBTBEs and prime suppliers throughout the year
- **Employee Recognition:** Recognize all employees that drive high levels of supplier diversity results and support supplier diversity initiatives throughout the year

PG&E will also collaborate with the CPUC, Joint Utilities, National Utilities Diversity Council and community-based organizations focused on diverse businesses.

**PG&E will continue to advance several strategic initiatives to continue enhancing its Multi-Tiered Technical Assistance and Capacity Building Program.**

- **PG&E Signature Initiatives:** Offer "Diverse Suppliers Are Safe," "Diverse Suppliers Are Cyber-Secure," "Diverse Suppliers Go Green," "Diverse Suppliers Go Global," "Business Tune-Up," "Future-Proofing Your Business," "Supplier Code of Conduct" and "How to Successfully Participate in Strategic Sourcing" trainings to educate WMDVLGBTBEs on areas of competitive business advantage
- **Emerging Technology:** Support executive training initiatives that encourage mature WMDVLGBTBEs to consider opportunities in emerging technology; encourage WMDVLGBTBEs to join PG&E in attending industry conferences and tradeshow that have a focus on emerging technology
- **Trade Missions to Industry Trade Shows:** Engage WMDVLGBTBEs to attend industry trade shows to gain exposure to new trends and technologies, meet potential partners and customers
- **Educational Institution Scholarships:** Offer WMDVLGBTBE scholarships to graduate-level management development certificate programs that support supplier development and build capacity
  - UCLA Management Development for Entrepreneurs Program
  - University of Washington Minority Business Executive Program
  - UC Berkeley Financial Management Course
  - Tuck Minority Business Program at Dartmouth
  - John F. Kennedy University Business Growth Acceleration Program
- **Small Business Training Partnerships:** Partner with SBA, MBDA and other organizations to provide business management workshop trainings
- **ISO 9001 and ISO 14001 Certification Training:** Provide quality and environmental systems certification scholarships to help WMDVLGBTBEs build the necessary business practices for successful scalable growth
- **Financial Education and Support:** Deliver workshops and provide educational scholarships on growth strategy, business performance and financial management

**Finally, PG&E will continue to develop and implement strategies for LGBTBE inclusion, which include:**

- Connecting prime suppliers to LGBTBEs for subcontracting opportunities
- Introducing relevant and qualified LGBTBEs to LOB decision makers
- Making LGBTBE inclusion strategies a standing agenda item at Supplier Diversity LOB Champion and sourcing meetings
- Sharing contract opportunity announcements with the LGBTBE business community
- Collaborating with local community-based organizations, including Golden Gate Business Association and Rainbow Chambers of Commerce of Silicon Valley and Sacramento, to educate the LGBTBE community on opportunities in the utility industry and promote the full inclusion of LGBTBEs
- Working with LGBTBEs certified by the NGLCC to become CPUC-certified
- Continuing to work with the NGLCC Procurement Committee to identify best practices and benchmark with national LGBTBE programs
- Co-leading a NGLCC task force on increasing LGBTBE opportunities through supply chain analysis



### Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas (Sec 10.1.3)

#### FINANCE AND RISK

Given PG&E's current financial status, new opportunities for banks, brokers, and finance professionals are expected to be very limited. Finance and Risk plan to continue the following WMDVLGBTBE activities:

- Provide opportunities for qualified WMDVLGBTBE investment banks to participate meaningfully in financings, as well as develop financial expertise and industry knowledge in the utility sector
- Identify other ways to engage with and mentor WMDVLGBTBE investment banks, in money market investments or as commercial paper dealers and pension managers
- Continue to utilize WMDVLGBTBE best practices in pension management
- Evaluate finance projects for opportunities to employ WMDVLGBTBEs and encourage prime suppliers to employ WMDVLGBTBE subcontractors

#### LEGAL

The Law Department's 2019 supplier diversity plan includes:

- Continued partnership with PG&E's Supply Chain Responsibility and Sourcing organizations to identify additional opportunities for diverse suppliers
- Continued promotion of the utilization of diverse professionals at majority-owned firms
- Continued partnering with non-diverse firms to work with WMDVLGBTBEs, including on major cases
- Participation and engagement with a variety of legal associations promoting diversity and equal access to the law and legal profession
- Participation in WMDVLGBTBE networking and CPUC events with other investor-owned utilities

### Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable (Sec 10.1.4)

General Order 156 Ruling on November 14, 2003, ended the excluded category.



## Plans for Encouraging Prime Contractors to Subcontract to WMDVLGBTBE Suppliers (Sec 10.1.5)

PG&E will continue to encourage prime suppliers to subcontract with WMDVLGBTBEs across all product and service categories and LOBs.

**PG&E will assist its prime suppliers to identify and develop qualified WMDVLGBTBE business solution partners and improve supplier diversity subcontracting. This will be accomplished through various activities, including:**

- Inviting prime suppliers to participate in business matchmaking events, trade show trade missions for WMDVLGBTBEs and other outreach activities
- Encouraging prime suppliers to support WMDVLGBTBE mentoring and educational programs such as the UCLA Management Development for Entrepreneurs Program, University of Washington Minority Business Executive Program and JFK University Business Growth Acceleration Program
- Conducting Prime Supplier Academy workshops and webinar trainings to educate suppliers on how to develop robust supplier diversity, environmental sustainability and code of conduct programs of their own

PG&E will also continue to conduct an annual audit of its diverse subcontracting spend to assess the timeliness and accuracy of reported diverse subcontractor payments.

PG&E will continue its efforts to make supplier diversity a key consideration in standard and strategic sourcing opportunities across all service and product categories. This includes offering internal training and education, tracking metrics, and working with internal LOB Champions and Sourcing team members to achieve program goals.

## Plans for Complying with WMDVLGBTBE Program Guidelines (Sec 10.1.6)

PG&E will continue to comply with the Supplier Diversity program guidelines established by the CPUC as required by Public Utilities Section 8283 (C).





# Power Procurement

## Participation Results by Fuel Category (Sec 9.1.11A)

See 2018 Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification table.

## Market Conditions and Outreach (Sec 9.1.11B)

PG&E's objectives relating to electric and gas procurement include assembling a portfolio of reliable and operationally flexible resources, supporting the development of environmentally preferred resources and managing customer costs. PG&E's objectives are applied to all market participants, irrespective of entity classification.

The characteristics of the electric market are unique compared to the natural gas market. Electric markets are characterized by long-life assets. These assets, each of which could cost hundreds of millions of dollars, are generally constructed, owned and operated by large corporations or financial institutions. As such, it is an exceedingly difficult market for small and medium size WMDVLGBTBEs to enter and succeed within.

Additionally, on the electric side, the vast majority of payments are through Renewable Portfolio Standard, Combined Heat and Power, Qualifying Facility and conventional tolling contracts which are associated with long-life assets, with the remaining amount clearing through the California Independent System Operator (CAISO) market (which is not regulated by the CPUC). With the advent of the CAISO Market Redesign and Technology Upgrade market design, electric energy is commoditized through a centralized market. Day-ahead energy transactions have predominantly moved away from direct bilateral transactions to energy commodity exchanges. The Dodd-Frank Act has further complicated the electric commodity markets by imposing additional transaction and reporting rules. These regulatory challenges give all market participants including WMDVLGBTBEs pause when contemplating entry into the electric commodity markets. The regulatory challenges are compounded by the strong balance sheet required to manage risk associated with volatile markets.



In wholesale power markets, PG&E encourages the participation of WMDVLGBTBEs to participate in renewables and Resource Adequacy (RA) products, both on a direct and subcontracting basis but in reality, diverse businesses have much greater likelihood for success as subcontractors. Any firm must overcome considerable barriers to enter into a power contract including gaining access to capital and establishing credit, technical knowledge and gaining operational experience. The difficulty associated with obtaining these prerequisites is the reason that there are few firms engaged in developing power plants or trading power products. Firms that do enter the market face a changing industry where investor-owned utilities like PG&E are losing load to new, local competitors. In California, these competitors are typically Community Choice Aggregators (CCA). Customers' transition from utilities to CCAs has resulted in PG&E's total electric load decreasing, leaving PG&E with limited need for new long-term contracted resources and a decrease across all historic sectors of procurement

To facilitate any possible opportunities to transact RA and other potential power product transactions, PG&E engages in discussions with WMDVLGBTBEs for electric master enabling agreements. PG&E has worked extensively with several WMDVLGBTBEs to structure arrangements to facilitate and mitigate credit posting concerns, including the Fund Transfer Agent Agreement (FTAA) and Tripartite agreements. While FTAA helped diverse businesses that lacked credit transact with PG&E and other utilities for many years, in 2016 the last bank offering FTAA eliminated this service. However, in 2018 MUFG Union Bank, one of the world's leading financial intermediaries, agreed to begin providing FTAA services for WMDVLGBTBE suppliers.

To further promote WMDVLGBTBE participation in PG&E Energy Procurement Request for Offers (RFOs), PG&E's supplier diversity goals and objectives are highlighted during webinars discussing Energy Procurement RFOs.

The schedule for upcoming Energy Procurement RFOs can be found online at [pge.com/rfo](http://pge.com/rfo).

While GO 156 intends to create opportunities for WMDVLGBTBEs, these businesses and their IOU counterparties are faced with tightening margins in the wholesale power markets. As with any participant wishing to participate in wholesale power activities, meeting industry standard credit and collateral requirements is challenging. In the coming year, PG&E will continue to work with WMDVLGBTBEs in the hopes of transacting with these businesses consistent with the Least Cost, Best Fit procurement standard. For the natural gas commodity, asset ownership is not required, and the vast majority of commodity clears through the market or exchanges, so the opportunities have historically been greater for WMDVLGBTBE than in electricity commodity. Transactions executed on an indexed price basis—which is how much of the gas commodity market transacts—require less credit and collateral requirements than do fixed price transactions. Historically, WMDVLGBTBEs have participated in this market successfully, but PG&E is seeing significant challenges as market conditions are changing. WMDVLGBTBEs fighting for market share today against large, investor-owned businesses with strong credit and economies of scale are at real risk of being forced out of the shrinking market.





### Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification

(All dollar figures in \$MM)

Product <sup>1</sup>		Results by Ethnicity and Gender												Results by WMDVLGBTBE Certification										
		Unit	Asian Pacific American			African American			Hispanic American			Native American			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a) <sup>5</sup>	Subcontracting Total	Total WMDVLGBTBE Procurement Spend <sup>3</sup>	Total Procurement Spend		
			MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL									TOTAL	TOTAL
POWER PURCHASED	Renewable Power Products Direct	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0.5	\$0.5	\$2,262.8	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.02%		
		\$ <sup>2</sup>	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0.4	\$0.4	\$529.6
		% <sup>2</sup>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.08%		
	Non-Renewable Power Products Direct	PHYSICAL	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,012.6
			%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
\$ <sup>2</sup>			\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$156.6	
	% <sup>2</sup>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
FUELS FOR GENERATION	Diesel Direct	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$0.3	\$0.3	\$-	\$-	\$-	\$0.3	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0.3	\$0.3	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%	100%	0.0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%		
	Natural Gas Direct	PHYSICAL	\$	\$-	\$0.5	\$0.5	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0.5	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0.5	\$286.8
			%	0.0%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	
POST 2011	Sub Total of Columns <sup>2</sup>	\$	\$-	\$0.5	\$0.5	\$-	\$-	\$-	\$0.3	\$0.3	\$-	\$-	\$-	\$0.9	\$-	\$-	\$-	\$-	\$-	\$-	\$0.4	\$1.3	\$973.4	
	Sub Total % of Total Procurement Spend	%	0.0%	0.05%	0.05%	0.0%	0.0%	0.0%	0.04%	0.04%	0.0%	0.0%	0.0%	0.09%	0.0%	0.0%	0.0%	0.0%	0.0%	0.05%	Overall WMDVLGBTBE %:	0.1%		
ALL	Sub Total of Columns <sup>4</sup>	\$	\$-	\$0.5	\$0.5	\$-	\$-	\$-	\$0.3	\$0.3	\$-	\$-	\$-	\$0.9	\$-	\$-	\$-	\$-	\$-	\$0.5	\$1.3	\$3,562.6		
	Sub Total % of Total Procurement Spend	%	0.0%	0.01%	0.01%	0.0%	0.0%	0.0%	0.01%	0.01%	0.0%	0.0%	0.0%	0.02%	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%	Overall WMDVLGBTBE %:	0.04%		

NOTES:

<sup>1</sup>Excludes purchases from the CAISO, other IOUs, utilities, federal entities, state entities, municipalities and cooperatives

<sup>2</sup>Includes only long-term power procurement commitments after June 6, 2011, or as a result of RFOs after June 6, 2011

<sup>3</sup>Total WMDVLGBTBE spend does not include pre-commercial online date subcontracting values

<sup>4</sup>Includes all power procurement commitments

<sup>5</sup>Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBE

Totals may not add due to rounding.



# Fuel Procurement for Non-Generation

## INTRODUCTION

PG&E purchases natural gas to serve its core (residential and small commercial) bundled gas customers. During 2018, PG&E purchased gas supplies to serve core customers from Canada, the U.S. Rocky Mountain supply area and the U.S. Southwest. Core Gas Supply spent over \$4 million in natural gas purchases with diverse suppliers, representing 0.76 percent of total purchases.

## Participation Results by Fuel Category (Sec 9.1.11A)

See Appendix A for a summary table of results.



## Market Conditions, Outreach, and Exclusions (Sec 9.1.11B)

### MARKET CONDITIONS

#### Market Challenges

According to the U.S. Energy Information Administration, U.S. natural gas production increased in 2018 to about 83.3 billion cubic feet per day (BCF/d), 8.5 BCF/d higher than 2017.<sup>1</sup> With that increase, natural gas prices remained low relative to historical levels. The low gas prices diminished profit margins for all suppliers, reducing opportunities for both WMDVLGBTBE and non-WMDVLGBTBE suppliers.

PG&E core gas demand remained relatively stable year-over-year, thereby providing ample opportunity for gas suppliers to sell to PG&E.

#### Competitive Challenges

In 2018, WMDVLGBTBE suppliers, most of whom are marketers, did not consistently provide gas supplies at competitive prices. This challenge was particularly evident in 2018, which resulted in a dramatic decrease of gas purchases from diverse suppliers compared to 2017. Natural gas marketers have historically added value by applying their expertise to find buyers and to creatively fulfill end-user needs while fostering a liquid, transparent market. In addition to providing supplies, and in order to capture additional revenue streams in a low-price market, the role of many successful marketers has evolved and expanded to include intermediate steps in the supply chain such as arranging pipeline transportation and storage, providing nomination and balancing services and providing any other services required to facilitate natural gas sales. Marketers who have been able to expand in this way seem to be able to offer supplies at more competitive prices than those who have not. At this time, it seems that only a few WMDVLGBTBEs have expanded their businesses beyond the traditional marketer role, likely due to a lack of capital or physical assets.

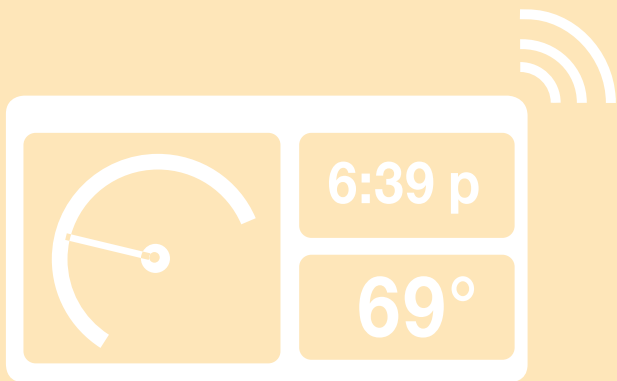
<sup>1</sup> Short Term Energy Outlook, U.S. Department of Energy—Energy Information Administration, January 15, 2019.

## Institutional Barriers

All industry participants face significant financial and credit risks. Most WMDVLGBTBEs are challenged to manage exposure to such risks because they lack capital to meet counterparty collateral requirements. Additionally, they generally do not hold physical assets, such as natural gas storage, to help establish credit or limit exposure to performance risks. Finally, WMDVLGBTBEs are generally not able to participate in electronic or online trading platforms due to their collateral requirements. Online trading platforms account for a significant percentage of transactions in today's fast-moving natural gas markets.

As mentioned in last year's report, the recent departure of a prominent bank offering Funds Transfer Agent (FTA) agreements has been challenging for WMDVLGBTBEs. On a positive note, in 2018 MUFG Union Bank N.A. agreed to provide an FTA Agreement service to WMDVLGBTBE suppliers. MUFG Union Bank is one of the world's leading financial intermediaries. Funds Transfer Agents, such as banks, offer a secure payment mechanism for gas suppliers and remain an important fiduciary participant in natural gas transactions involving WMDVLGBTBE gas marketers. This solution may take time to grow but having a FTA bank can allow WMDVLGBTBEs to attract source suppliers that are willing to enter into new arrangements. Many source suppliers are not willing to enter into new arrangements without an FTA agreement.

Third-party payment (where payment is made directly to the source supplier) is still available for WMDVLGBTBEs to utilize, but even with these payment options WMDVLGBTBE gas marketers are still having difficulty providing competitive pricing vis-a-vis other market participants. These issues are compounded by the challenges of conducting international business, particularly in Canada where PG&E sources roughly one-third of its gas supplies in Canadian dollars. WMDVLGBTBEs may not be able or willing to accept foreign exchange risk. However, PG&E continues to encourage U.S. and Canadian source suppliers to develop relationships with WMDVLGBTBEs.





## OUTREACH

### Communications and Assistance

PG&E maintains information on its public website<sup>2</sup> to assist WMDVLGBTBEs in providing natural gas supplies. This web page includes an overview of PG&E Core Gas Supply and provides information on PG&E's Supplier Diversity Program—including eligibility criteria for California's WMDVLGBTBE certification program and a description of resources available to assist such suppliers in selling products and services to PG&E, including Core Gas Supply.

In 2018, PG&E continued to fully engage with diverse suppliers to answer questions about fuel procurement and provided guidance on WMDVLGBTBE certification, credit and contracting matters. In addition, Core Gas Supply facilitated enhanced banking and payment options such as an FTA agreement with two new banking participants and structured contract payment provisions to fit the individual needs of many WMDVLGBTBEs and their source suppliers.

### Personal Contacts

Core Gas Supply maintains a solicitation list of WMDVLGBTBEs who have expressed interest in selling gas to PG&E. This list is used to track certification status and help ensure WMDVLGBTBEs are contacted on a regular basis about sales opportunities. Core Gas Supply staff also encourages natural gas producers to work with WMDVLGBTBEs in marketing gas and related services to PG&E.

### Expanded Opportunities

During 2018, PG&E's Core Gas Supply analysts continued to coach WMDVLGBTBEs (via phone or email) on opportunities to provide not only marketing services but also broker services. Broker services enable WMDVLGBTBEs to match major producers and suppliers with Core Gas Supply's gas buyers, thereby expanding opportunities beyond direct sales of gas to PG&E. Through a broker arrangement, WMDVLGBTBEs add value by locating a producer or supplier willing and able to meet PG&E's terms. The broker arranges the initial contact and may facilitate the negotiation and assist with the administration. By acting as a broker, WMDVLGBTBEs can avoid many credit and operational risks while establishing themselves in the natural gas business. PG&E views broker services as a transitory opportunity for WMDVLGBTBEs to build their commercial experience so they become equipped to pursue more financially rewarding business opportunities for them.

## EXCLUSIONS

The CPUC General Order 156 ruling on November 14, 2003 ended the Excluded Categories, including non-generation fuel types. Notably, PG&E procures only natural gas under its Fuel Procurement for Non-Generation.

<sup>2</sup> [https://www.pge.com/en\\_US/for-our-business-partners/energy-supply/core-gas-supply/core-gas-supply.page?ctx=large-business](https://www.pge.com/en_US/for-our-business-partners/energy-supply/core-gas-supply/core-gas-supply.page?ctx=large-business)





### Appendix A. PG&E's Core Gas Supply, Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification

(All dollar figures in \$MM)

Product <sup>1</sup>	Unit	Results by Ethnicity and Gender												Results by WMDVLGBTBE Certification							
		Asian Pacific American			African American			Hispanic American			Native American			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a) <sup>2</sup>	Total WMDVLGBTBE Procurement Spend	Total Procurement Spend	
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL								TOTAL
NATURAL GAS	SHORT TERM	\$	\$-	\$3.1	\$3.1	\$1.3	\$-	\$1.3	\$-	\$-	\$-	\$-	\$-	\$-	\$4.4	\$-	\$-	\$-	\$-	\$4.4	\$207.3
		%	0.0%	1.5%	1.5%	0.6%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	2.1%	
	LONG TERM	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$372.3
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	TOTAL NATURAL GAS	\$	\$-	\$3.1	\$3.1	\$1.3	\$-	\$1.3	\$-	\$-	\$-	\$-	\$-	\$-	\$4.4	\$-	\$-	\$-	\$-	\$4.4	\$579.7
	%	0.0%	0.5%	0.5%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.8%		
LPG	SHORT TERM	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	LONG TERM	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	TOTAL LPG	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
<b>Overall Total \$</b>			\$-	\$3.1	\$3.1	\$1.3	\$-	\$1.3	\$-	\$-	\$-	\$-	\$-	\$4.4	\$-	\$0	\$-	\$-	\$4.4	\$579.7	
<b>Overall Total %</b>			0.0%	0.5%	0.5%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.8%	Overall WMDVLGBTBE %	

**NOTE:**

%: Percentages calculated by the Row Category Total Procurement Spend

**Short Term:** The term of the deal is no longer than one calendar month

**Long Term:** The term of the deal is greater than one calendar month but less than one calendar year

<sup>1</sup>Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, state entities, municipalities and cooperatives

<sup>2</sup>Includes Non-WMDVLGBTBE firms classified as 8(a) of Small Business Administration

Totals may not add due to rounding.

This page is not part of PG&E's GO 156 annual report. It is a separate, additional report, which PG&E provides simultaneously with the GO 156 annual report as directed by the Commission in D.06-11-028 (OP 1 and pp. 4-6).

## 2018

Pacific Gas and Electric Company  
G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)

### Number of WMDVLGBTBE Suppliers<sup>1</sup> and Revenue Reported to the Clearinghouse

Data on Number of Suppliers												
Revenue Reported to CHS							Utility-Specific 2018 Summary					
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a) <sup>*</sup>	Grand Total <sup>2</sup>	MBE	WBE	LGBTBE	DVBE	Other 8(a) <sup>*</sup>	Grand Total
Under \$1M	111	119	6	N/A	0	236	279	268	9	27	0	583
Under \$5M	120	122	2	N/A	0	244	52	66	0	8	0	126
Under \$10M	42	56	0	N/A	0	98	20	32	0	3	0	55
Above \$10M	116	89	1	N/A	0	206	38	20	0	8	0	66
<b>TOTAL</b>	<b>389</b>	<b>386</b>	<b>9</b>	<b>46</b>	<b>0</b>	<b>830</b>	<b>389</b>	<b>386</b>	<b>9</b>	<b>46</b>	<b>0</b>	<b>830</b>

Revenue and Payment Data												
Revenue Reported to CHS							Utility-Specific 2018 Summary					
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a) <sup>*</sup>	Grand Total <sup>2</sup>	MBE	WBE	LGBTBE	DVBE	Other 8(a) <sup>*</sup>	Grand Total
Under \$1M	187,364,695	42,117,978	1,707,326	N/A	0	231,189,999	58,289,764	47,689,164	2,501,469	4,964,619	0	113,445,016
Under \$5M	141,931,032	124,719,532	455,210	N/A	0	267,105,774	121,328,974	156,226,444	0	17,651,877	0	295,207,295
Under \$10M	140,223,593	134,635,311	0	N/A	0	274,858,904	147,000,280	220,442,365	0	21,070,104	0	388,512,749
Above \$10M	1,358,112,610	528,435,773	338,933	N/A	0	1,886,887,316	1,501,012,913	405,550,621	0	278,005,341	0	2,184,568,875
<b>TOTAL</b>	<b>1,827,631,930</b>	<b>829,908,594</b>	<b>2,501,469</b>	<b>321,691,941</b>	<b>0</b>	<b>2,981,733,934</b>	<b>1,827,631,930</b>	<b>829,908,594</b>	<b>2,501,469</b>	<b>321,691,941</b>	<b>0</b>	<b>2,981,733,934</b>

**NOTE:**

<sup>\*</sup>Firms classified as 8(A) of Small Business Administration includes Non-WMDVLGBTBE.

CHS: Supplier Clearinghouse

<sup>1</sup>Includes direct and subcontracting WMDVLGBTBE suppliers

<sup>2</sup>The CHS does not include information regarding DVBE revenue. As a result, Grand Total revenue cells do not include DVBE data. Grand Total/Total cell does include aggregate DVBE data.



The annual report was produced with support from Studio19.us, a certified WBE.

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