



SAN JOSE WATER

## **Utility Supplier Diversity Report**

TO THE

## **California Public Utilities Commission**

(U-168-W)

**Women, Minority, Disabled Veteran,  
Lesbian, Gay, Bisexual, and Transgendered  
Business Enterprise Procurement**

## **2020 Supplier Diversity Report**

AND

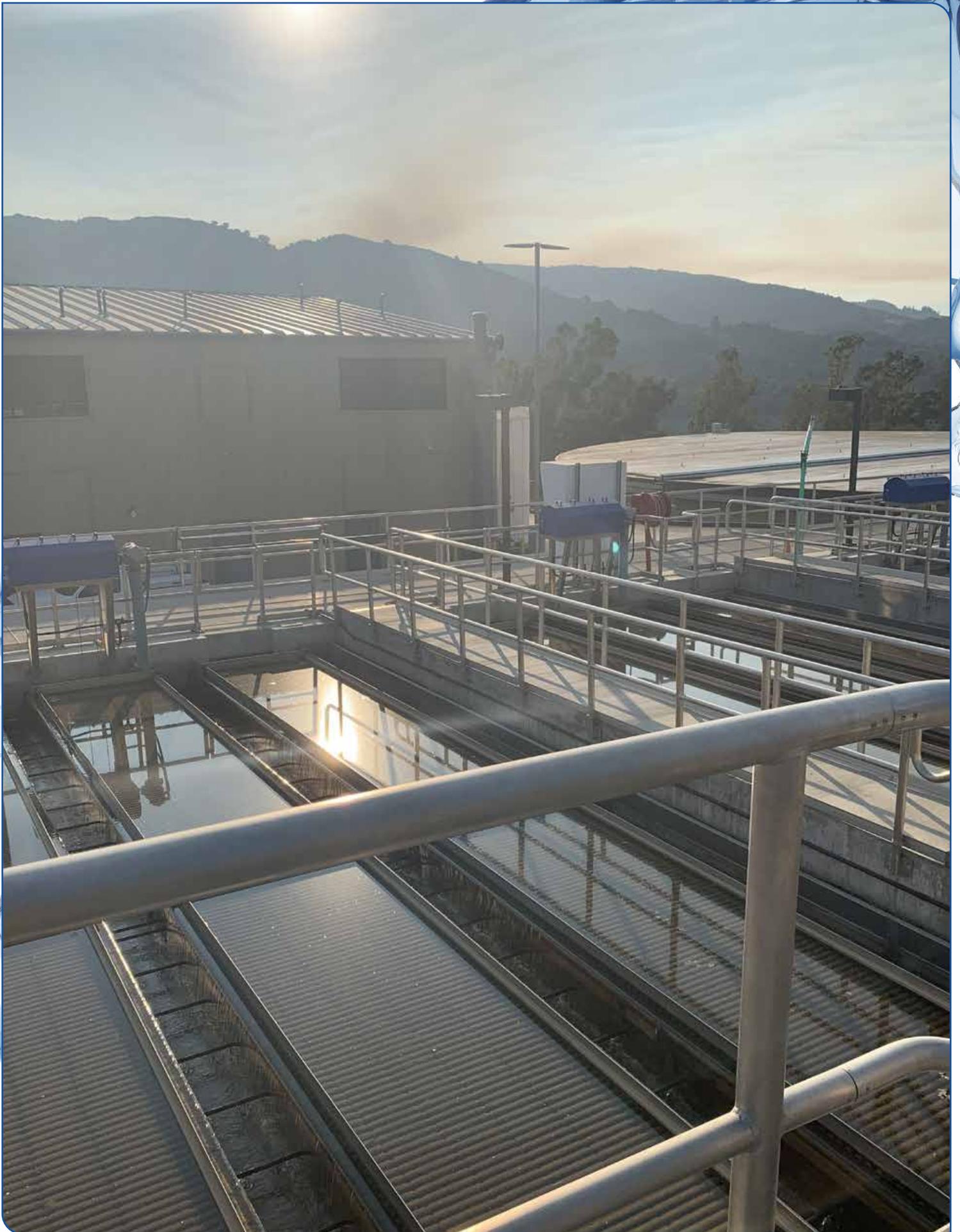
## **2021 Plan**

Prepared by:

**Timothy O. McLaughlin, CPSD**

Director of Supplier Diversity

In response to CPUC General Order 156



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## LETTER FROM OUR CHIEF EXECUTIVE OFFICER



From a global pandemic to racial inequity and political unrest, 2020 has been a challenging year for all of us. With these difficulties also comes opportunity. San Jose Water (SJW) has been able to change the way we do business because of these challenges, leading to several positive results. It is my pleasure to submit the San Jose Water 2020 Supplier Diversity Report and 2021 Annual Plan (2020 Report/2021 Plan), to the California Public Utilities Commission (CPUC).

Several key initiatives and accomplishments that evidences our commitment to Supplier Diversity and beyond include:

- Creating an overall corporate Key Performance Indicator (KPI) for Supplier Diversity and aligning this KPI with performance across the organization;
- Forming a National Diversity, Equity & Inclusion Council (Diversity Council) to advise, empower and advocate for strengthening our shared commitment to diversity, equity and inclusion across our company and communities;
- Completing our first Unconscious Bias training pilot in 2020, with intentions of phasing this training company-wide in 2021; and,
- Assisting with the formation of Supplier Diversity programs for our other water utilities in Connecticut, Texas and Maine.

Over the past several years, SJW has worked towards enhancing our culture of diversity, and increasing our supplier diversity results. These program enhancements were made with the goal of creating a sustainable, best-in-class program. I am happy to report that these changes have begun to bear fruit.

In 2020, SJW was responsible for \$28.8M of diverse spend, representing 30.1% of our addressable spend, a 133-percentage point increase when compared to 2019. Importantly and as shown in the 2020 Report/2021 Plan details, SJW also met all three diversity spend sub-goals of minority (15%), women (5%) and disabled-veteran (1.5%) as follows:

- Minority-owned Business Enterprise (MBE) spend was \$18.3M, representing 19% of our 2020 addressable spend;
- Women-owned Business Enterprise (WBE) spend was \$5.7M, representing 6% of our 2020 addressable spend; and,
- Disabled Veteran-Owned Business Enterprise (DVBE) spend was \$4.8M, representing 5% of our 2020 addressable spend.

We recognize that partnering with diverse suppliers is an important part of San Jose Water's success and fits squarely within our core values. We can best accomplish our mission with a diverse supply chain that enables us to be more competitive – enhancing the economic vitality of the communities where we live, work, and serve.



Eric Thornburg - CEO  
San Jose Water



This filing is in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156 and contains the 2020 Annual Report and the 2021 Annual Plan of San Jose Water's (SJW) Utility Supplier Diversity Program (USDSP). The annual report describes the program activities and results achieved by SJW for the period of January 1, 2020 through December 31, 2020. For purposes of this report Women, Minority, Disabled Veteran, and Lesbian, Gay, Bisexual, and Transgendered Business Enterprises (WMDVLGBTBE) shall be referred to as Diversity Business Enterprises (DBE).

## 2020 ANNUAL REPORT

# Summary of Program and Highlights

San Jose Water's (SJW) commitment to the CPUC's Utility Supplier Diversity Program (USDSP) and its goal to provide access and opportunity to DBE, continues to progress through both program and process development. Our diverse business utilization percentage for 2020 was 30.1%, more than double our result of 12.9% from 2019, exceeding the CPUC goal of 21.5% diverse spend.

In March of 2020, SJW halted many of its operations due to the pandemic. We suspended our capital improvement programs for approximately 2 months, out of an abundance of caution, to ensure the health and safety of our employees and the communities we serve. As a result, our addressable spend fell by nearly 33%, from \$141.3M to \$95.7M. Although the pandemic caused some challenges, we were able to increase our total spend with diverse firms by 58% from \$18.2M to \$28.8M. Our direct spend with diverse companies increased by 130% from \$9.6M to \$22.1M, total minority (MBE) spend increased 173% from \$6.7M to \$18.3M, and our disabled veteran (DVBE) spend increased by 9% from \$4.4M to \$4.8M.

In addition to exceeding the CPUC diverse spend goal of 21.5%, we are very pleased to report exceeding all three sub-goals:

- Disabled Veteran-Owned Business Enterprise (DVBE) spend was \$4.8M, representing 5% of our 2020 addressable spend.
- Women-owned Business Enterprise (WBE) spend was \$5.7M, representing 6% of our 2020 addressable spend.
- Minority-owned Business Enterprise (MBE) spend was \$18.3M, representing 19% of our 2020 addressable spend.

The SJW Prime Supplier Program (DBE subcontracting program) has historically contributed significantly to our annual diverse spend results. Although our 2020 diverse subcontracting percentage fell by 22%, the actual amount of dollars subcontracted to diverse suppliers increased by 2% from \$8.6M to \$8.8M. The 22% decrease in this report resulted from the fact that \$4.3M in diverse subcontracting came from one of our diverse prime suppliers. Therefore, we could not include the \$4.3M of diverse subcontracting in our final numbers (to avoid double counting).

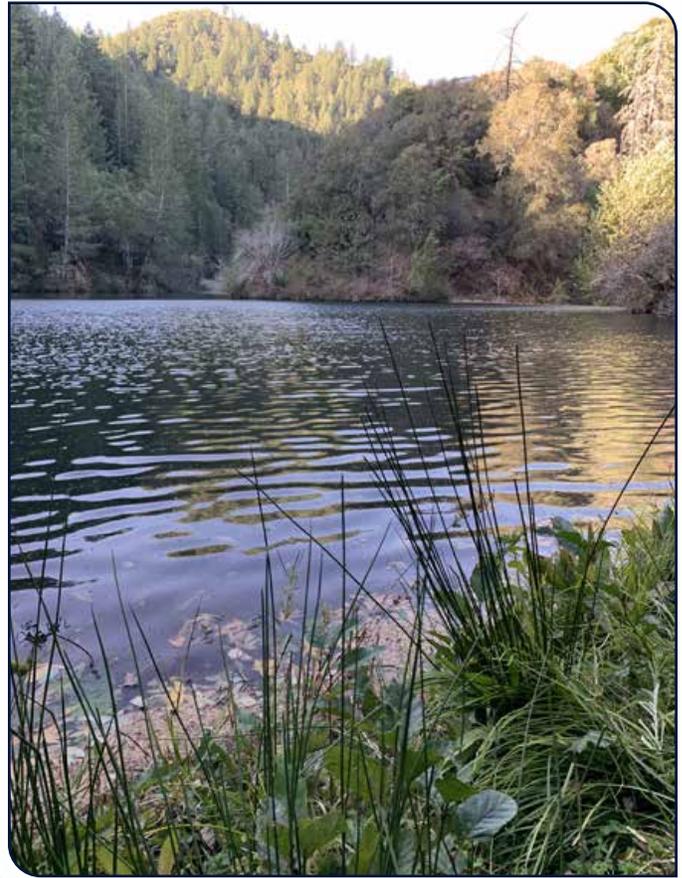
There was a decrease in woman-owned spend dollars by 20% from \$7.1M to \$5.7M. However, the percentage of woman-owned spend increased from 5.1% to 6.0%. There was a modest decrease in the number of diverse suppliers within our supply chain in 2020, decreasing slightly from a total of 59 in 2019 to 54 in 2020. LGBT spend continues to be an area of focus as we went from a modest \$5.7K of LGBT spend in 2019, to zero spend in 2020.

It is important to note that all diverse suppliers who carry both minority-owned (MBE) and woman-owned (WBE) certifications were classified as woman-owned only, for purposes of this report. As a result, tables within section 9.1.2 will reflect zero spend with "minority-female" owned suppliers. In fact, actual spend with minority-female owned suppliers totaled \$3,681,142, an amount that will be further broken down into ethnic sub-categories as a sub-note within Section 9.1.2 tables.

The positive results outlined within our 2020 results were made possible by intentional enhancements made to the supplier diversity program, taking place over the past several years. Amongst the high impact enhancements:

- **Executive leadership:** Over the last several years, executive leadership has made supplier diversity a priority. From our CEO, through the Executive Leadership Team (ELT) and all management, the importance of supplier diversity has become a priority. The company culture continues to shift through this enhanced focus on supplier diversity. As a result, there has been a significant increase in inquiries for diverse suppliers that match internal opportunities.
- **Corporate KPI's:** The establishment of a corporate Key Performance Indicator (KPI), specifically for supplier diversity, has had a significant impact on the supplier diversity program. Company-wide supplier diversity metrics were included at the SJW Group level, specific to each company entity and location, including SJW. These metrics were specific and called out Threshold, Target and Maximum (or stretch) goals. The supplier diversity metric, along with other companywide metrics, were used to tie company results to compensation.
- **Champion's Program:** The Champion's Program continues to have a significant positive effect on supplier diversity results. Supplier Diversity Champion's represent all significant business units within SJW, and cover nearly all spend categories. Supplier Diversity Champions represent a conduit to the business units for all aspects of the supplier diversity program.
- **Prime Supplier Program:** New for 2020 was the enhancement of the SJW Prime Supplier Program (PSP). Early in 2020, the construction/engineering business unit worked with the Supplier Diversity Program Manager to implement changes to our subcontracting requirements. All construction/engineering RFP and bid opportunities contained new supplier diversity language requiring suppliers target 25% subcontracting to diverse suppliers. This resulted in subcontracting dollars increasing by 2% in 2020. This also allowed SJW to count Tier 3 dollars for the second year in a row. In addition, SJW piloted a new RFP/Bid evaluation strategy which evaluates and scores supplier diversity similar to such items as delivery, quality, customer service, cost and other key factors that represent value to SJW.

SJW continues its active participation in the California Water Association's (CWA) USDP. Under the CWA USDP, we have continued our Technical Assistance Program (TAP), Meet the Primes Program and supported numerous Community Business Organizations (CBOs) through participation in and/or sponsorship of many events throughout California.

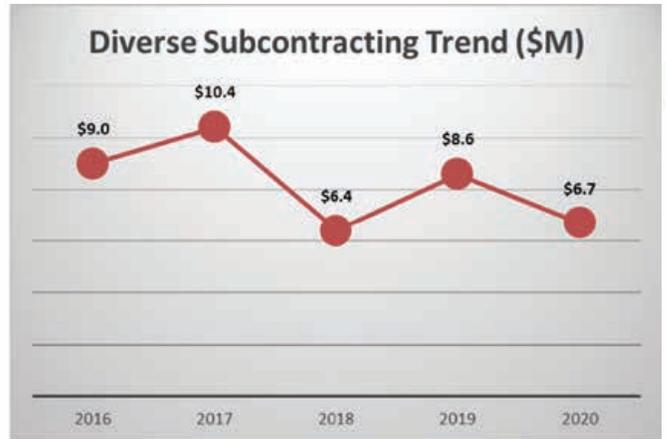
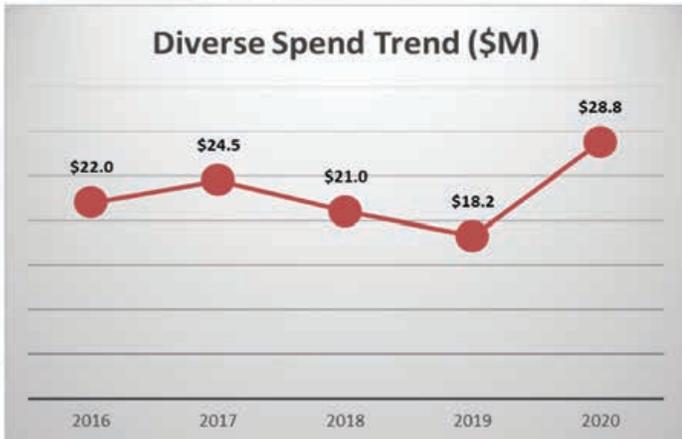
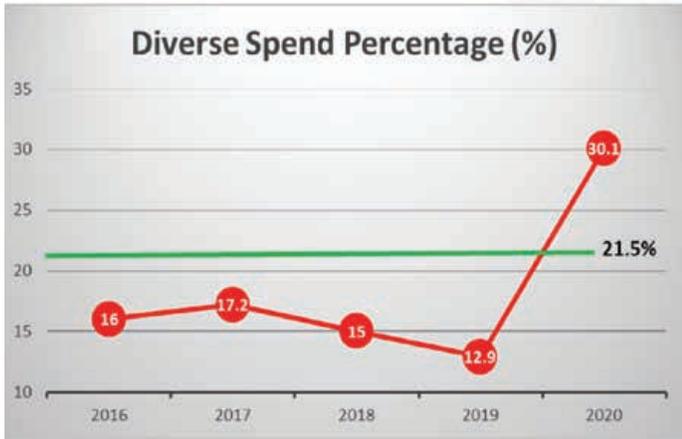


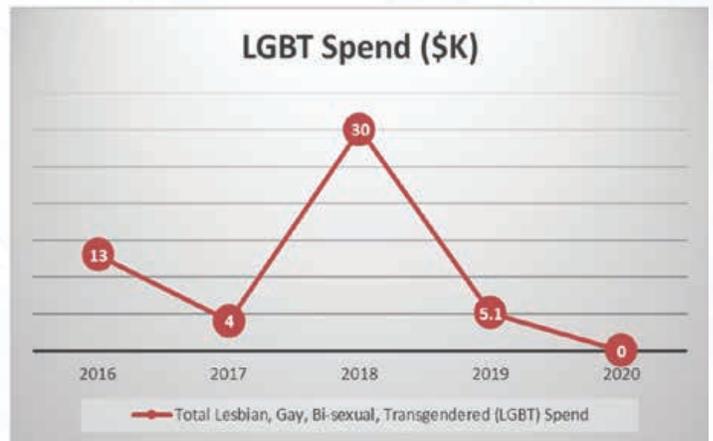
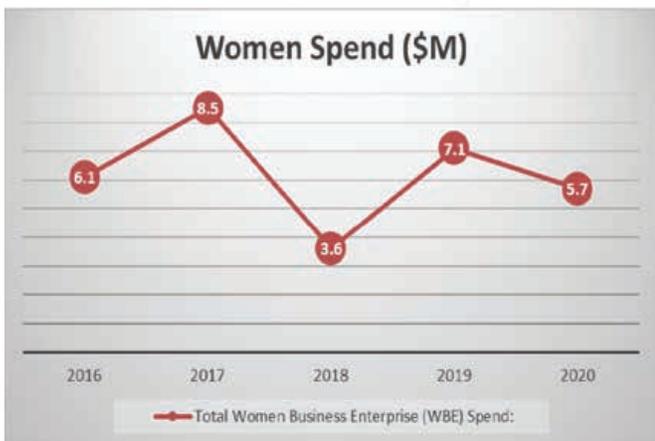
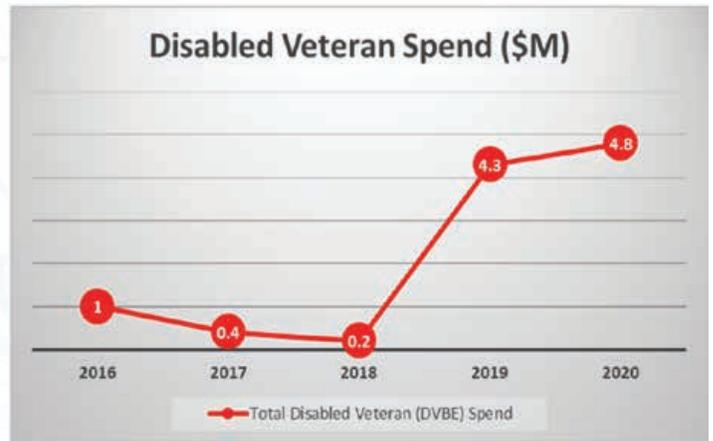
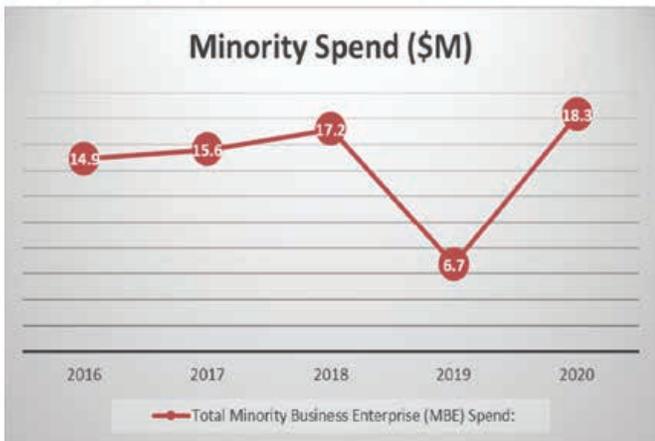
## **SAN JOSE WATER'S 2020 USDP Highlights**

- Spend percentage with diverse suppliers increased from 12.9% in 2019 to 30.1% in 2020, representing a 133% increase, and exceeding the CPUC goal of 21.5%.
- Spend percentage to minority business enterprises (MBE) was at 19.2% in 2020, exceeding the CPUC goal of 15%.
- Spend percentage to woman business enterprises (WBE) was at 6.0% in 2020, exceeding the CPUC goal of 5%.
- Spend percentage to disabled-veteran owned business enterprises (DVBE) was at 5.0% in 2020, exceeding the CPUC goal of 1.5%.
- For the first time in several years, SJW exceeded all CPUC goals in the categories of overall spend (21.5%), MBE spend (15%), WBE spend (5%) and DVBE spend (1.5%).
- Overall spend with diverse suppliers increased from \$18.2M in 2019 to \$28.8M in 2020, representing a 58% increase.
- Direct spend with diverse vendors increased from \$9.6M in 2019 to \$22.1M in 2020, representing a 130% increase.
- Total minority business enterprise (MBE) spend increased from \$6.7M in 2019 to \$18.3M in 2020, representing a 173% increase.
- Disabled-Veteran owned spend increased from \$4.4M in 2019 to \$4.8M in 2020, representing a 9% increase.
- Prime Supplier Program (subcontracting) spend dollars increased by 2% in 2020, despite SJW addressable spend decreasing by 32% when compared to 2019 addressable spend.
- For the second year in a row, SJW was able to capture Tier 3 DBE subcontracting spend through two of our prime suppliers, resulting in \$27.6K in Tier 3 spend.



Program Baseline Statistics	Statistic					'19 to '20
	2016	2017	2018	2019	2020	Change
Total procurement spend:	\$260M	\$294M	\$340M	\$305.6M	\$306M	0%
Total addressable spend:	\$138M	\$142.6M	\$139.9M	\$141.3M	\$95.6M	-32%
Overall spend with diverse suppliers:	\$22M	\$24.5M	\$21.0M	\$18.2M	\$28.8M	58%
Direct spend with diverse suppliers:	\$13M	\$14.1M	\$14.6M	\$9.6M	\$22.1M	130%
Prime Supplier Program, subcontracting with diverse suppliers:	9M	\$10.4M	\$6.4M	\$8.6M	\$6.7M	-22%
Total Minority Business Enterprise (MBE) Spend:	\$14.9M	\$15.6M	\$17.2M	\$6.7M	\$18.3M	173%
Total Women Business Enterprise (WBE) Spend:	\$6.1M	\$8.5M	\$3.6M	\$7.1M	\$5.7M	-20%
Total Disabled Veteran Business Enterprise (DVBE) Spend:	\$971K	\$395K	\$187K	\$4.4M	\$4.8M	9%
Total Lesbian, Gay, Bisexual, Transgendered Business Enterprise Spend (LGBTBE) Spend:	13K	\$4.0K	29.7K	\$5.1K	\$0.0M	-100%
Total number of diverse suppliers within the SJWC supplier diversity program:	48	48	64	59	54	-8%
Number of diverse suppliers doing business directly with SJWC:	32	31	37	36	34	-6%
Number of diverse suppliers doing business with SJWC through subcontracting:	28	21	31	32	28	-13%





**9.1.1**

## Description of WMDVLGBTBE Program Activities During the Previous Calendar Year

The global pandemic had a significant effect on all of us. The health and safety of our employees, suppliers and the communities we serve, is paramount. For this reason, San Jose Water suspended its capital improvement program for approximately two months. As a result, our addressable spend fell from \$141M in 2019, to \$96M in 2020, a 32% reduction. Even with such a decrease in addressable spend, we were able to accomplish a great deal in 2020.

Several key initiatives and accomplishments that evidences our commitment to Supplier Diversity and beyond include:

- Creating an overall corporate Key Performance Indicator (KPI) for Supplier Diversity and aligning this KPI with performance across the organization;
- Forming a National Diversity, Equity & Inclusion Council (Diversity Council) to advise, empower and advocate for strengthening our shared commitment to diversity, equity and inclusion across our company and communities;
- Completing our first Unconscious Bias training pilot in 2020, with intentions of phasing this training company-wide in 2021; and,
- Assisting with the formation of Supplier Diversity programs for our other water utilities in Connecticut, Texas and Maine.

Over the past several years, SJW has worked towards enhancing our culture of diversity, and increasing our supplier diversity results. These program enhancements were made with the goal of creating a sustainable, best-in-class program.

As mentioned in our SJW 2019 Report/2020 Plan, the SJW mission remains: to be trusted professionals delivering exceptional quality water and service to customers and communities while protecting the environment and providing a fair return to shareholders. We continue to focus on our core values while delivering to our stakeholders.

**SJW Core Values**

Integrity  
Respect  
Service  
Compassion  
Trust  
Teamwork  
Transparency

**SJW Strategic Building Blocks**

Customers  
Community  
Employees  
Environment  
Shareholders

SJW is also working to assist our sister utilities in Texas, Maine, and Connecticut to establish their Supplier Diversity programs. Led by Tim McLaughlin, each utility will have a unique plan established by our comprehensive supplier diversity strategy and will be able to leverage resources across the organization. Goals for each entity are summarized below, all of which were accomplished in 2020:

- San Jose Water: Increase supplier diversity spend percentage beyond 2019, with the ultimate goal of reaching 21.5% diverse spend.
- Connecticut Water: Adopt the Supplier Diversity Plan drafted at the end of 2019.
- Maine Water: Draft a formal Supplier Diversity Plan.
- SJW-TX: Draft a formal Supplier Diversity Plan.

SJW continued to drive diverse supplier registration through our 3rd party registration system, provided by Avisare Corp., an African-American, woman-owned business. This system allowed registrants to be seen by SJW and other corporations and organizations that use the same platform.



**Internal Activities:**

- Supplier Diversity identified as a standing agenda item in all quarterly interdepartmental meetings.
- Change of language in RFPs, contracts, POs and related documents, increasing requirement on primes to meet 25% diverse subcontracting.
- Prime Supplier information meetings were held on July 22nd, July 23rd and July 27th, to discuss changes made in subcontracting requirements and to solicit feedback from prime suppliers.
- Four Supplier Diversity Champions meetings were conducted in 2020 (4/28, 6/23, 8/26 and 11/17) with an emphasis on the prior year's results, opportunities for improvement, changes in our Prime Supplier Program and initiating a pilot for an RFP scoring system that includes supplier diversity.
- Continued discussions took place with Operations Department leadership resulting in enhanced supplier diversity goals and objectives for management within the operations department.
- Added one major MBE supplier (Lewis and Tibbitts) to construction business unit which resulted in a major increase in our MBE and overall spend. This addition was a significant contributor – allowing SJW to reach our overall spend percentage of 30.1% and exceed all CPUC goals of overall spend (21.5%), MBE (15%), WBE (5%) and DVBE (1.5%).
- A Prime Supplier reporting template is now included in all construction/engineering RFPs/bids. This standard template will allow for a more accurate and efficient reporting of prime supplier DBE subcontracting. The template has also been adopted by other business units within SJW.

### 9.1.1 Description of WMDVLGBTBE Program Activities during the Previous Calendar Year, continued

#### External Activities:

SJW's Director of Supplier Diversity, held the following leadership positions in 2020:

- Advisory Board to the Industry Council for Small Business Development (ICSBD) for the term January 1, 2020 through December 31, 2020.
- Strategic Council for The Diversity Advisors for the term August 1, 2020 to December 31, 2020.
- California Water Association (CWA), Utility Supplier Diversity Program (USDP) Chair from January 1, 2020 to December 31, 2020.

SJW continues the company's outreach efforts by participating in CBO events that include partnerships with DBEs, both locally and throughout the State of California. Building relationships and understanding the needs/capabilities of each CBO remains a critical success factor in driving an increase to diverse spend at SJW. Partnering with the organizations listed below enables SJW to play a key role in educating diverse businesses on the process of working with SJW and all utilities in general:

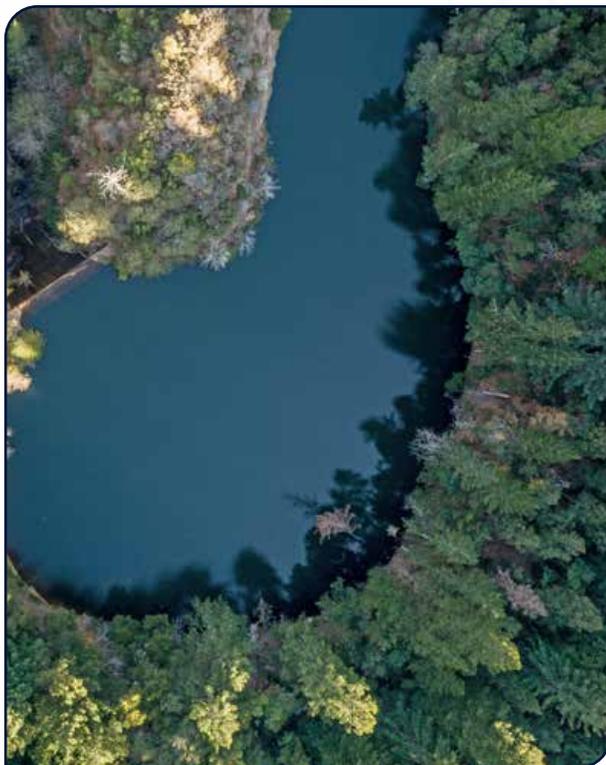
- National Minority Supplier Development Council (NMSDC)
- Western Regional Minority Supplier Development Council (WRMSDC)
- Southern California Minority Supplier Development Council (SMSDC)
- Council for Supplier Diversity (CSD)
- Silicon Valley Black Chamber of Commerce



- Silicon Valley Hispanic Chamber of Commerce
- Women’s Business Enterprise National Council (WBENC)
- Women’s Business Enterprise Council - West (WBEC-West)
- Women’s Business Enterprise Council - Pacific (WBEC-Pacific)
- National Utility Diversity Council (NUDC)
- CPUC (Small Business Expos)
- Elite Service Disabled Veteran Owned Business (SDVOB) Network
- Disabled Veteran Business Alliance (DVBA)
- Veterans in Business (VIB) Network
- American Indian Chamber of Commerce (AICOC)
- National Gay & Lesbian Chamber of Commerce (NGLCC)
- Rainbow Chamber of Commerce Silicon Valley
- Golden Gate Business Association (GGBA)
- Industry Council for Small Business Development (ICSBD)
- Fresno Metro Black Chamber of Commerce
- The National Center for Native American Enterprise Development (NCAIED)



SJW also partners with other CWA Class A members as part of the CWA USDP committee. Also, SJW often represents the CWA USDP at various CBO events, tradeshows, and matchmaking events.



### **CBO Involvement / Presentations**

Involvement with CBOs was very different in 2020 due to the pandemic. Virtually every CBO was required to pivot from in-person conferences and events, to virtual events. Due to travel restrictions, we were limited to attending events virtually. Although nearly all events were virtual, there were still many opportunities to participate by being a panelist, presenter or participant. Tim McLaughlin, Director of Supplier Diversity, participated in multiple panels and presentations throughout 2020:

- Panelist at the Southern California National Association of Minority Contractors (NAMC) on January 22
- Panelist for Western Regional Minority Supplier Development Council’s (WRMSDC) COVID-19 Opportunities Webinar on April 22

### 9.1.1 Description of WMDVLGBTBE Program Activities during the Previous Calendar Year, continued

- Presenter at Brentwood Chamber of Commerce Virtual Mixer (Northern California) on July 16
- Panelist and presenter at the BUILDING FOR THE FUTURE: A WRMSDC Construction Working Group Summer Series Roadmap to Capacity Building event on August 13
- Presenter and panelist for the CWA Virtual Supplier Diversity Event, Meet The Primes on September 1st and 2nd
- Panelist and presenter at the WRMSDC Construction Summer Series Part 4: Working With Primes event on September 17
- Panelist at the CPUC event: Insights on How to Access Contract Opportunities with Communications, Cable, and Water Utilities, on December 2
- Panelist and speaker for the WBEC West Water Panel & Showcase: How to Find Opportunities with Water Utilities, on December 7-9
- Panelist and speaker for the CWA - Capacity Building W.A.T.E.R. Program on 5/12, 9/25, 10/16, 11/13 and 12/4



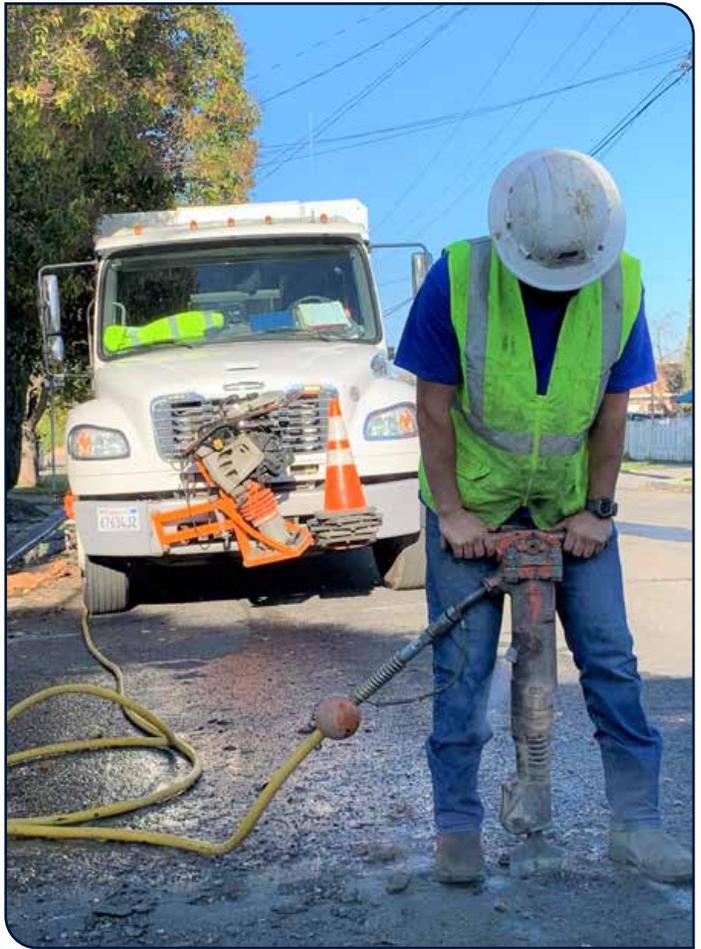
## **CBO, Tradeshow, Conference, and other Outreach Events**

SJW's Director of Supplier Diversity actively participated in outreach and community events listed below:

- Attended the 4th Annual California DGS Procurement Event "How to Do Business with the State" on February 21
- Reservation Economic Summit (RES), February 2-4
- Attended Small Business Roundtable with Nancy Pelosi on May 5
- Attended California Black Chamber Webinar with Kamala Harris on May 6
- Attended National Utility Diversity Council (NUDC) Convening on May 28
- Attended the Women's Business Enterprise Council (WBEC) South Conference Matchmaker on June 4
- Attended WRMSDC Virtual Excellence Awards Movie Screening on June 30
- Attended California Black Chamber's Fireside Chat on July 15
- Participated in 1:1 Matchmaking, Session 2: "Opportunity & Connections," a WRMSDC Virtual Event Series on August 28
- Attended CPUC En Banc Hearing on September 29
- Attended the VIB National Conference on October 12-13
- Attended California Black Chamber event: Fireside Chat with The Honorable Willie L. Brown, Jr. on October 29
- Attended WRMSDC 2020 Virtual Holiday Celebration & Fundraiser - Nov. 13

## **Joint Utility Meetings**

SJW's Director of Supplier Diversity actively participated in the CPUC's joint utilities quarterly meetings and is a key contributor in developing processes that impact the way diverse businesses work with all California regulated utilities.



**9.1.2**
**WMDVLGBTBE Annual Results by Ethnicity**
**San Jose Water • G.O. #156 Sec. 9.1.2**

			<b>Direct</b>	<b>Sub</b>	<b>Total \$</b>	<b>%</b>
1	<b>Minority Male</b>	Asian Pacific American	\$312,014	\$80,066	\$392,080	0.4%
2		African American	\$30,477	\$0	\$30,477	0.0%
3		Hispanic American	\$16,858,710	\$368,375	\$17,227,085	18.0%
4		Native American	\$665,206	\$31,637	\$696,843	0.7%
5		Total Minority Male	\$17,866,407	\$480,078	\$18,346,485	19.2%
6	<b>Minority Female***</b>	Asian Pacific American	\$0	\$0	\$0	0.0%
7		African American	\$0	\$0	\$0	0.0%
8		Hispanic American	\$0	\$0	\$0	0.0%
9		Native American	\$0	\$0	\$0	0.0%
10		Total Minority Female***	\$0	\$0	\$0	0.0%
11	<b>Total Minority Business Enterprise (MBE)</b>		<b>\$17,866,407</b>	<b>\$480,078</b>	<b>\$18,346,485</b>	<b>19.2%</b>
12	<b>Women Business Enterprise (WBE)</b>		<b>\$4,107,808</b>	<b>\$1,592,789</b>	<b>\$5,700,597</b>	<b>6.0%</b>
13	<b>Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
14	<b>Disabled Veteran Business Enterprise (DVBE)</b>		<b>\$125,456</b>	<b>\$4,645,418</b>	<b>\$4,770,874</b>	<b>5.0%</b>
15	<b>Other 8(a)*</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
16	<b>TOTAL WMDVLGBTBE</b>		<b>\$22,099,671</b>	<b>\$6,718,285</b>	<b>\$28,817,956</b>	<b>30.1%</b>
17	<b>Net Procurement**</b>		<b>\$95,671,562</b>			

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

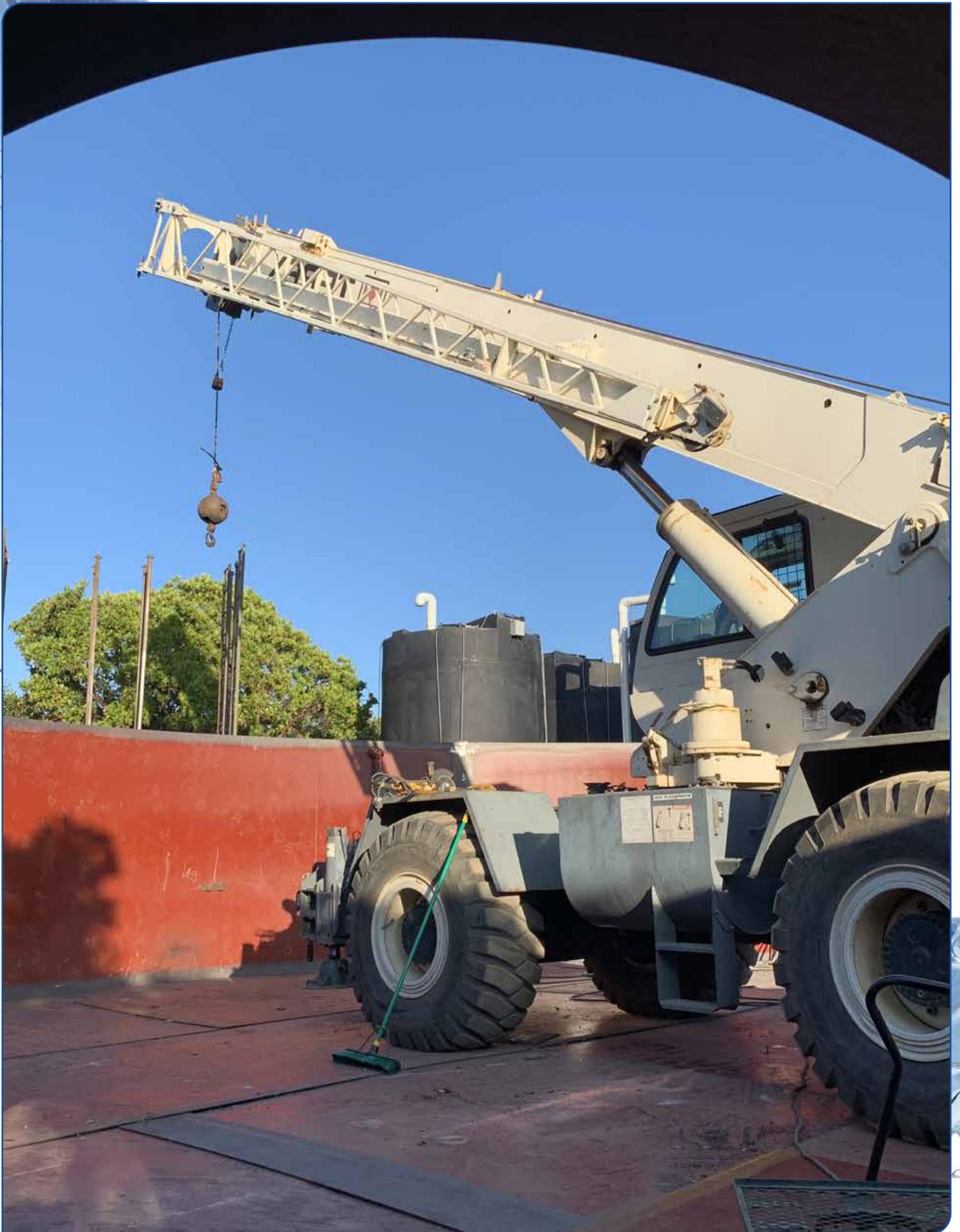
Direct - Direct Procurement

Sub - Subcontractor Procurement

% - Percentage Of Net Procurement

\*\*\* All "Minority Females" (WMBE) were counted as "Females" (WBE) for purposes of this report

*** Minority Female spend:	\$1,397,660	Asian Pacific American
	\$8,102	African American
	\$2,275,380	Hispanic American



Utility Supplier Diversity Program, 2020 Report and 2021 Plan

**9.1.2**
**WMDVLGBTBE Direct Procurement by Product and Service Categories**
**San Jose Water • G.O. #156 Sec. 9.1.2**

				Products		Services		Total	
				\$	%	\$	%	\$	%
1	<b>Minority Male</b>	Asi an Pacific American	Direct	\$0	0.0%	\$312,014	0.3%	\$312,014	0.3%
2		African American	Direct	\$0	0.0%	\$30,478	0.0%	\$30,478	0.0%
3		Hispanic American	Direct	\$0	0.0%	\$16,858,710	17.2%	\$16,858,710	17.2%
4		Native American	Direct	\$0	0.0%	\$665,206	0.7%	\$665,206	0.0%
5		Total Minority Male	Direct	\$0	0.0%	\$17,866,408	18.7%	\$17,866,408	18.7%
6	<b>Minority Female</b>	Asian Pacific American	Direct	\$0	0.0%	\$0	0.0%	\$0	0.0%
7		African American	Direct	\$0	0.0%	\$0	0.0%	\$0	0.0%
8		Hispanic American	Direct	\$0	0.0%	\$0	0.0%	\$0	0.0%
9		Native American	Direct	\$0	0.0%	\$0	0.0%	\$0	0.0%
10		Total Minority Female	Direct	\$0	0.0%	\$0	0.0%	\$0	0.0%
11	Total Minority Business Enterprise (MBE)		Direct	\$0	0.0%	\$17,866,408	18.7%	\$17,866,408	18.7%
12	Women Business Enterprise (WBE)		Direct	\$2,459,294	2.6%	\$1,648,514	1.7%	\$4,107,808	4.3%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$0	0.0%	\$0	0.0%	\$0	0.0%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$0	0.0%	\$125,456	0.0%	\$125,456	0.1%
15	Other 8(a)*		Direct	\$0	0.0%	\$0	0.0%	\$0	0.0%
16	<b>TOTAL WMDVLGBTBE</b>		<b>Direct</b>	<b>\$2,459,294</b>	<b>2.6%</b>	<b>\$19,640,378</b>	<b>20.4%</b>	<b>\$22,099,672</b>	<b>23.1%</b>
17	<b>Total Product Procurement</b>			<b>\$2,459,294</b>					
18	<b>Total Service Procurement</b>			<b>\$19,640,378</b>					
19	<b>Net Procurement**</b>			<b>\$95,671,562</b>					
20	<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>		<b>34</b>						

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

## 9.1.2

# WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

### San Jose Water • G.O. #156 Sec. 9.1.2

				Products		Services		Total	
				\$	%	\$	%	\$	%
1	<b>Minority Male</b>	Asian Pacific American	Sub	\$0	0.0%	\$80,066	0.1%	\$80,066	0.1%
2		African American	Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
3		Hispanic American	Sub	\$27,869	0.0%	\$340,507	0.4%	\$368,376	0.4%
4		Native American	Sub	\$0	0.0%	\$31,637	0.0%	\$31,637	0.0%
5		Total Minority Male	Sub	\$27,869	0.0%	\$452,210	0.5%	\$480,079	0.5%
6	<b>Minority Female</b>	Asian Pacific American	Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
7		African American	Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
8		Hispanic American	Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
9		Native American	Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
10		Total Minority Female	Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
11	Total Minority Business Enterprise (MBE)		Sub	\$27,869	0.3%	\$452,210	0.5%	\$480,079	0.5%
12	Women Business Enterprise (WBE)		Sub	\$129,834	0.1%	\$1,462,955	1.5%	\$1,592,789	1.7%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0	0.0%	\$0	0.0%	\$0	0.0%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$2,176,484	2.3%	\$2,468,934	2.6%	\$4,645,418	4.9%
15	Other 8(a)*		Sub		0.0%		0.0%	\$0	0.0%
16	<b>TOTAL WMDVLGBTBE</b>		<b>Sub</b>	<b>\$2,334,187</b>	<b>2.4%</b>	<b>\$4,384,099</b>	<b>4.6%</b>	<b>\$6,718,286</b>	<b>7.0%</b>
17	<b>Total Product Procurement</b>			<b>\$2,334,187</b>					
18	<b>Total Service Procurement</b>			<b>\$4,384,099</b>					
19	<b>Net Procurement**</b>			<b>95,671,562.00</b>					
20	<b>Total Number of WMDVLGBTBEs that Received Subcont. Spend</b>			<b>28</b>					

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



9.1.2

WMDVLGBTBE Procurement by Standard Industrial Categories

San Jose Water • G. O. #156 Sec 9.1.2

SIC Category	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 Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDV LGTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,652
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%	0.1%
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	\$80,066	\$0	\$0	\$0	\$16,613,456	\$0	\$0	\$0	\$16,693,522	\$255,862	\$0	\$127,206	\$0	\$17,076,590	\$19,770,888
22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$139,985	\$0	\$0	\$0	\$1139,985	\$186,640
28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	\$0	\$0	\$0	\$0	\$220,497	\$0	\$0	\$0	\$220,497	\$11,643	\$0	\$0	\$0	\$232,140	\$244,368
33	\$0	\$0	\$0	\$0	\$27,869	\$0	\$0	\$0	\$27,869	\$0	\$0	\$0	\$0	\$27,869	\$3,128,793
34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,608	\$0	\$0	\$0	\$27,608	\$1,156,696
36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	\$0	\$0	\$16,976	\$0	\$0	\$0	\$696,842	\$0	\$713,818	\$0	\$0	\$0	\$0	\$713,818	\$682,182
38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,885	\$0	\$0	\$0	\$70,885	\$285,442
42	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,424,929	\$0	\$0	\$0	\$1,424,929	\$343,378
45	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	\$0	\$0	\$0	\$0	\$57,798	\$0	\$0	\$0	\$57,798	\$2,270,235	\$0	\$0	\$0	\$2,328,033	\$3,091,558
51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,946	\$0	\$0	\$0	\$50,946	\$49,611
54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories (cont.)

SIC Category	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 Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDV LGTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
55	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$793,648
57	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$25,657
58	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$0
59	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$79,968
60	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$20,242
62	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$200,810
63	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$265,226
64	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$4,053,687
65	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$14,671
67	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$4,309
70	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$1,039
72	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$1,679,861
73	\$12,800	0.0%	\$13,500	0.0%	\$166,653	0.0%	\$0	0.0%	\$192,953	\$678,111	\$0	\$4,481,674	\$0	\$5,352,738	\$7,866,226
75	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$573,294
76	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$117,190
79	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$29,210
80	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$0
81	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$1,452,400
82	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$6,590
83	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$30,000
86	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$21,900
87	\$280,844	0.0%	\$0	0.0%	\$48,424	0.0%	\$0	0.0%	\$329,268	\$50,412	\$0	\$0	\$0	\$50,412	\$8,514,398
89	\$18,370	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$18,370	\$8,815	\$0	\$0	\$0	\$27,185	\$21,880
92	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$5,443
93	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$0
94	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$0
95	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$0
96	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$0
Other	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	\$0	\$12,275,717
<b>TOTAL</b>	<b>\$392,080</b>	<b>0.4%</b>	<b>\$30,476</b>	<b>0.0%</b>	<b>\$17,227,084</b>	<b>\$0</b>	<b>\$696,842</b>	<b>\$0</b>	<b>\$19,346,482</b>	<b>\$5,699,359</b>	<b>\$0</b>	<b>\$4,770,874</b>	<b>\$0</b>	<b>\$28,817,952</b>	<b>\$95,671,562</b>

NOTE: \*Firms With Mult Minor Ownership Status  
 \*\*Firms Classified as 8(A) of Small Business Administration Includes Non-Wmdvlgbtbe  
 \*\*\*Net Procurement Includes Purchase Order, Non-Purchase Order, and Credit Card Dollars  
 Total Dollars - Total Procurement Dollar Amount In The Specific Sic Category  
 % - Percentage Of Total Dollars  
 \*\*\*\* Reflects Data For All Direct Sjwc Dbc Spend

<b>Total Product Procurement</b>	<b>\$4,793,481</b>
<b>Total Service Procurement</b>	<b>\$24,024,477</b>
<b>Net Procurement***</b>	<b>\$95,671,562</b>

**9.1.2**

# Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

**2020 Report • G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)**

### Data on Number of Suppliers

# WMDVLGBTBEs	Revenue Reported to CHS						Utility-Specific 2020 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	3	8	0	1		12	10	21		1		32
Under \$5 million	2	6	0			8		1				1
Under \$10 million	1	2	0			3						0
Above \$10 million	5	6	0			11	1					1
<b>TOTAL</b>	<b>11</b>	<b>22</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>34</b>	<b>11</b>	<b>22</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>34</b>

### Revenue and Payment Data

WMDVLGBTBE \$M	Revenue Reported to CHS						Utility-Specific 2020 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$250,000	\$4,169,783	\$0.00	\$500,000		\$4,919,783	\$1,501,069	\$1,853,871		125,456.17		\$3,480,396
Under \$5 million	\$4,924,984	\$12,570,974	\$0			\$17,495,958		\$2,253,937				\$2,253,937
Under \$10 million	\$7,621,326	\$11,872,720	\$0			\$19,494,046						\$0
Above \$10 million	\$166,830,917	\$8,121,246,116	\$0			\$8,288,077,033	\$16,365,337					\$16,365,337
<b>TOTAL</b>	<b>\$179,627,227</b>	<b>\$8,149,859,593</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$8,329,986,820</b>	<b>\$17,866,406</b>	<b>\$4,107,808</b>	<b>\$0</b>	<b>\$125,456</b>	<b>\$0</b>	<b>\$22,099,670</b>

Note: \* Firms Classified as 8(A) of Small Business Administration Includes Non-WMDVLGBTBE

CHS: Supplier Clearinghouse

\*\* Reflects Data For All Direct SJWC Dbe Spend





## 9.1.2

# Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce

### San Jose Water • G.O. #156 Sec. 9.1.2

In 2020, SJW conducted business directly with 26 diverse companies headquartered\* in California with a total workforce of 1,138 employees and a total revenue of \$273M. The average revenue for a supplier within this dataset is \$10.5M. San Jose Water spent \$18.9M with CA-based suppliers in 2020.

\*Information for this report was taken from the CPUC Clearinghouse database as of 12/31/2020. It is assumed that suppliers listed in the Clearinghouse, with California addresses, are California-based companies, and the number of employees listed for these suppliers are part of the California workforce.

**9.1.3**  
**WMDVLGBTBE Program Expenses**

**San Jose Water • G.O. #156 Sec. 9.1.3**

<b>Expense Category</b>	<b>2020 (Actual)</b>
Wages	\$170,800
Other Employee Expenses	\$0
Program Expenses	\$41,200
Reporting Expenses	\$5,000
Training	\$0
Consultants	\$7,240
Other	\$21,652
<b>TOTAL</b>	<b>\$245,892</b>



## 9.1.4

# Description of Progress in Meeting or Exceeding Set Goals

### San Jose Water • G.O. #156 Sec. 9.1.4

SJW's diverse business utilization for 2020 was 30.1%, a 133 percentage point increase in spend percentage, when compared to 2019, exceeding the 21.5% overall goal promoted by the CPUC.

There were several factors that affected our ability to meet the 21.5% goal, including:

- In 2019, SJW emphasized the negative impact felt by losing our top two diverse suppliers. As a smaller utility, we have a much lower addressable spend when compared to larger utilities. As such, the loss of one or two large, diverse suppliers has a more significant impact on a smaller utility. For the same reason, a significant positive impact can be realized when adding a large diverse supplier into the supply chain, which is what SJW was able to accomplish in 2020. The addition of Lewis and Tibbitts (L&T) as a minority supplier had a significant positive impact on SJW's results. L&T's primary focus for SJW is in the construction area, specifically in pipeline replacement. L&T is part of a small group of suppliers making up the top 10% of SJW spend and is a critical to the SJW capital expense program. The addition of L&T is a significant reason SJW was able to exceed the 21.5% CPUC goal.
- SJW was also able to realize a positive impact to our results by enhancing our Prime Supplier Program. In the 2nd quarter of 2020, SJW changed its construction RFP/bid language to reflect a specific subcontracting requirement of 25%. We also began a pilot RFP scoring system that allows Supplier Diversity to be evaluated along with such items as Customer Service, Quality, Cost, Delivery, Safety and other core values. This resulted in a 2% increase in diverse subcontracting in a year when addressable spend decreased by 32%.
- The Prime Supplier Program enhancements have helped to grow our DVBE spend by 9% over 2019 levels, resulting in a DVBE spend percentage of 5%, significantly exceeding the CPUC goal of 1.5%.
- SJW reached 6% WBE spend against a CPUC goal of 5%. In order to accomplish this, we counted all WMBE suppliers as WBE's. Please note that WMBE spend results were as follows:

***Minority Female spend:	\$1,397,660	Asian Pacific American
	\$8,102	African American
	\$2,275,380	Hispanic American

- Minority spend increased significantly in 2020, increasing 173% over 2019 results. SJW reached 19.2% of minority (MBE) spend in 2020, far exceeding the CPUC goal of 15%.
- 2020 marks the first full year that a corporate Key Performance Indicator (KPI) was established for supplier diversity. The supplier diversity KPI is part of several KPI's which tie our performance to compensation. This, along with the continued utilization of our Supplier Diversity Champion's group, has strengthened the supplier diversity culture.

### 9.1.4 WMDVLGBTBE Results and Goals

**San Jose Water • G.O. #156 Sec. 9.1.4**

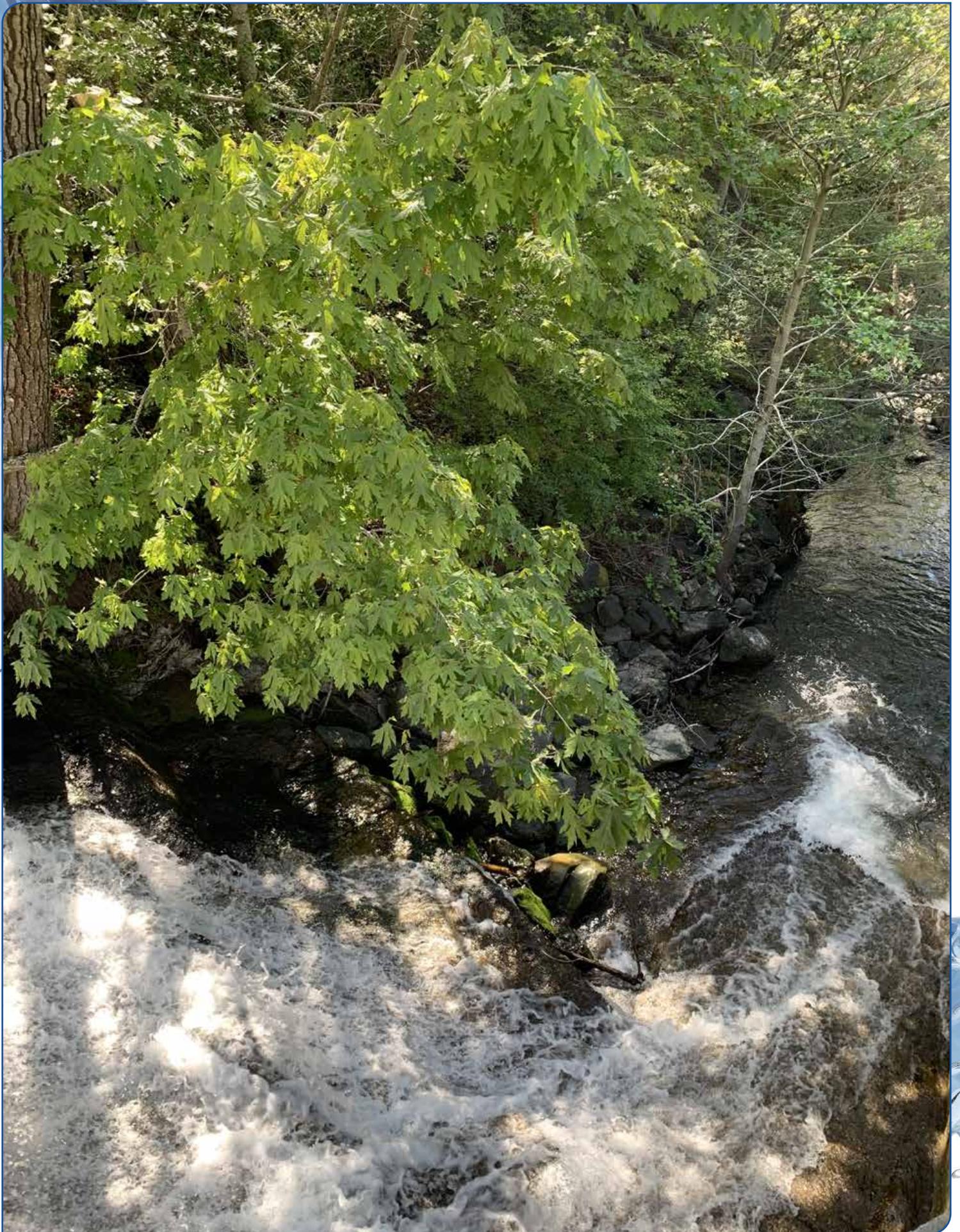
Category	2020 Results	2021 Goals*
Minority Men	19.2%	7.5%
Minority Women**	0.0%	7.5%
Minority Business Enterprise (MBE)	19.2%	15.0%
Women Business Enterprise (WBE)	6.0%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.0%	0.5%
Disabled Veteran Business (DVBE)	5.0%	1.5%
<b>TOTAL WMDVLGBTBE</b>	<b>30.1%</b>	<b>22.0%</b>

% - PERCENTAGE OF NET PROCUREMENT

\*Target goals each year are to meet the CPUC defined goals. Stretch goals are still being defined as of the date of this publication.

\*\*All WMBE's were counted as WBE's for purposes of this report





**Utility Supplier Diversity Program, 2020 Report and 2021 Plan**

**9.1.5**

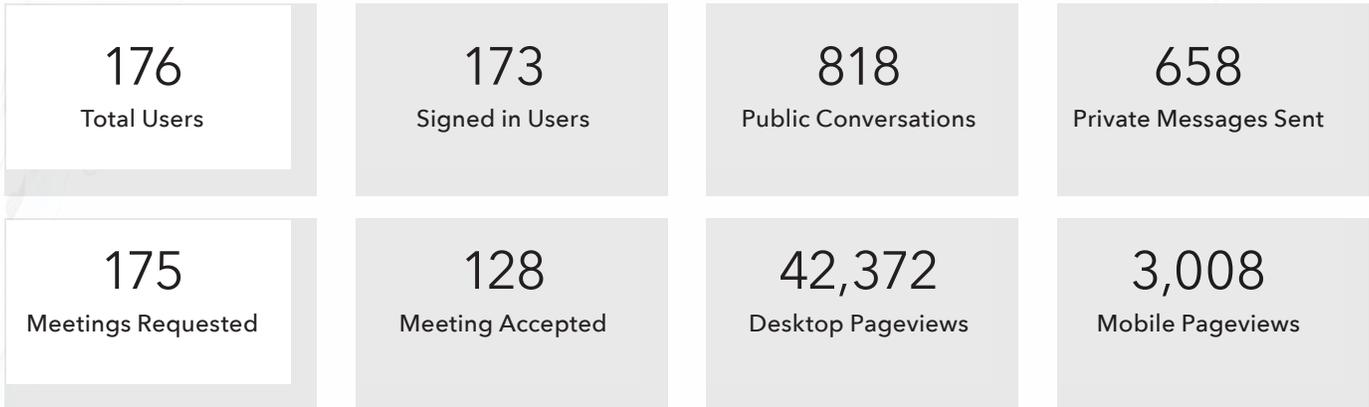
# Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

**San Jose Water • G.O. #156 Sec. 9.1.5**

In 2020, Prime Supplier subcontracting to diverse suppliers increased by 2%, from \$8.6M in 2019 to \$8.8M in 2020. This result was accomplished with a decrease of 32% in addressable spend. This was achieved, in part, due to a change in RFP/bid language, requiring construction suppliers to subcontract at the 25% level. The Supplier Diversity Director, Champions, and sourcing personnel continue to work with prime suppliers to increase utilization of diverse businesses. SJW encourages its prime suppliers to review their operations to identify areas suitable for diverse supplier participation.

**Prime Supplier Matchmaking Events**

SJW continued to collaborate with other CWA USDP members to sponsor and lead a Prime Supplier Matchmaking event held on September 1-2, 2020. The event was held virtually due to COVID 19 restrictions. The Director of Supplier Diversity took part as a presenter and panelist in this event. Several Prime Suppliers were invited to attend and sit on a panel to discuss opportunities within their organization. The event was very well attended as can be seen by the statistics shown below:



### 9.1.5

## Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

### San Jose Water • G.O. #156 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
Direct \$	\$17,866,407	\$0	\$17,866,407	\$4,107,808	\$0	\$125,456	\$0	\$22,099,671
Subcontracting \$	\$480,078	\$0	\$480,078	\$1,592,789	\$0	\$4,645,418	\$0	\$6,718,285
<b>Total \$</b>	<b>\$18,346,485</b>	<b>\$0</b>	<b>\$18,346,485</b>	<b>\$5,700,597</b>	<b>\$0</b>	<b>\$4,770,874</b>	<b>\$0</b>	<b>\$28,817,956</b>
Direct %	18.7%	0.00%	18.7%	4.3%	0.00%	0.1%	0.00%	23.1%
Subcontracting %	0.5%	0.00%	0.5%	1.7%	0.00%	4.9%	0.00%	7.0%
Total %	19.2%	0.00%	19.2%	6.0%	0.00%	5.0%	0.00%	30.1%
<b>Net Procurement**</b>	<b>\$95,671,562</b>							

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

% - Percentage of Net Procurement

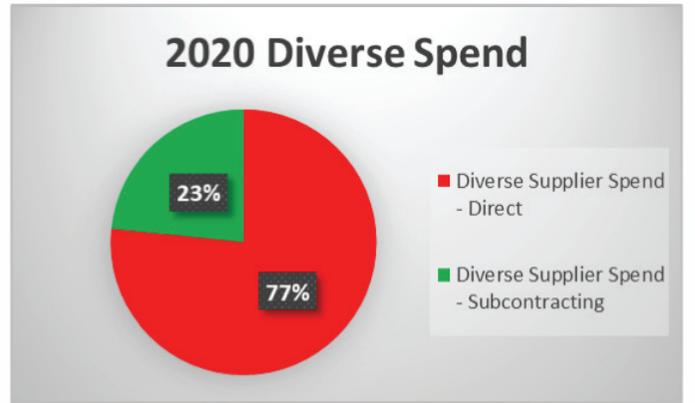
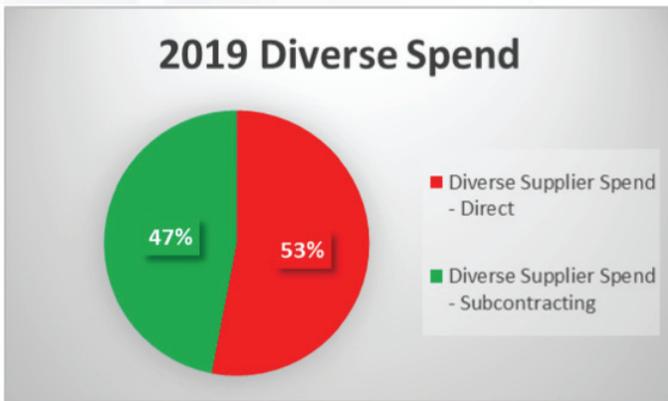
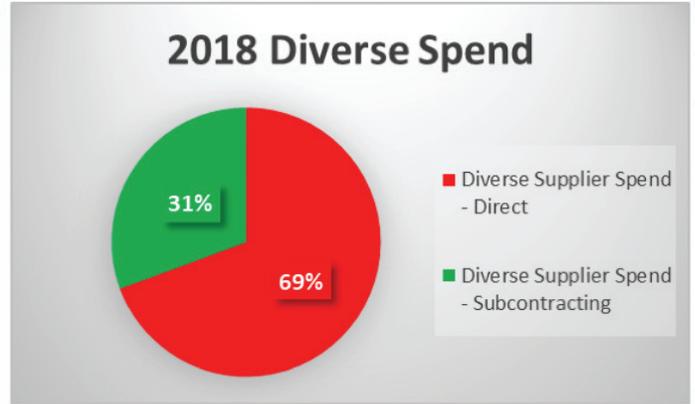
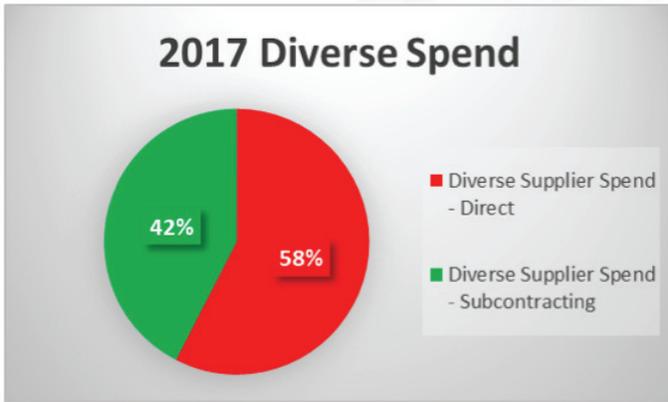
Direct - Direct Procurement

Sub - Subcontractor Procurement



**9.1.5**

**Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors (cont.)**



## 9.1.6

# A List of WMDVLGBTBE Complaints Received and Current Status

**San Jose Water • G.O. #156 Sec. 9.1.6**

SJWC did not receive any formal complaints about the USDP program in 2020.

## 9.1.7

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

**San Jose Water • G.O. #156 Sec. 9.1.7**

### **Diverse Suppliers in Underutilized Areas**

During 2020, SJW continued our focus to increase diverse spend in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs have taken place within the following functional areas:

- Legal Services
- Financial Services
- Accounting

Opportunities in these areas are limited, however, we are committed to identifying qualified diverse suppliers in the above areas, should an opportunity arise.

**9.1.8****Retention of all Documents / Data****San Jose Water • G.O. #156 Sec. 9.1.8**

SJW has retained all documents and data necessary for the preparation of the Utility Supplier Diversity Report to the CPUC. Documents and data are retained for the longer of 3 years or as per the requirement of the SJW document retention policies. Documents and data are available at the request of the CPUC.

**9.1.11****WMDVLGBTBE Fuel Procurement****San Jose Water • G.O. #156 Sec. 9.1.11**

Not applicable

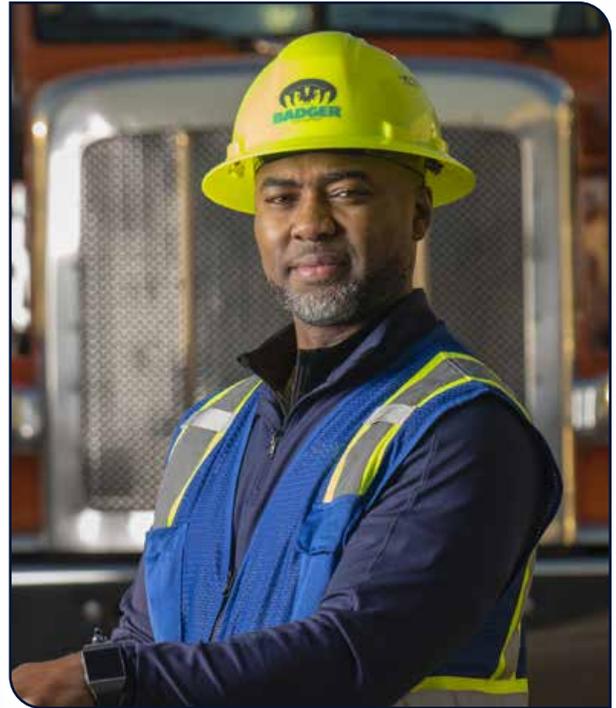


## SAN JOSE WATER

# Supplier Diversity Success Stories

## Supplier Diversity Spotlight: Touré Carter

When SJW's Tim McLaughlin met now-TM Carter Co. CEO Touré Carter at the Silicon Valley Black Chamber of Commerce conference last year, it was the perfect example of "right place, right time." As SJW's Director of Supplier Diversity, Tim regularly speaks at events like these to educate local minority-owned business owners on processes for getting certified and winning contracts with large companies like SJW. They are also great networking opportunities, as Touré discovered during a break between sessions. "When you start meeting people who are like you, that's when you know you're on the right track," reflects Touré on their serendipitous meeting. After Touré briefly described his still-aspiring trucking business goals at the time, Tim handed him his business card as he normally does, offering to help in any way he could. Touré noticed an area code on it that prompted him to mention something about college football. Tim is a proud Ohio State alum, and Touré was born in Cleveland and is a former arena football player and coach, so they bonded immediately over their shared love of the game.



### **Forging a Professional Relationship from a Personal Bond**

This was all it took to forge a bond between the two, establishing what would become the first official contract for TM Carter Company LLC. Many steps still stood in the way at this point, however. Launching a company is challenging for nearly anyone, as it involves not only understanding the ins and outs of the permitting and licensing process, but also having the backers and funding to get it off the ground. Throw in his status as an untested person of color in Silicon Valley, and Touré has experienced all the setbacks typical of people in his position. Years of applying for loans, routinely being denied, and losing money in the process finally led Touré to this moment meeting Tim in June 2019. At the time, Touré did not have any equipment aside from a beat-up pick-up truck, but he did possess a strong work ethic and a dream driven by his beloved late grandfather, James Carter.

**SAN JOSE WATER****Supplier Diversity Success Stories, continued****Passion for the Industry**

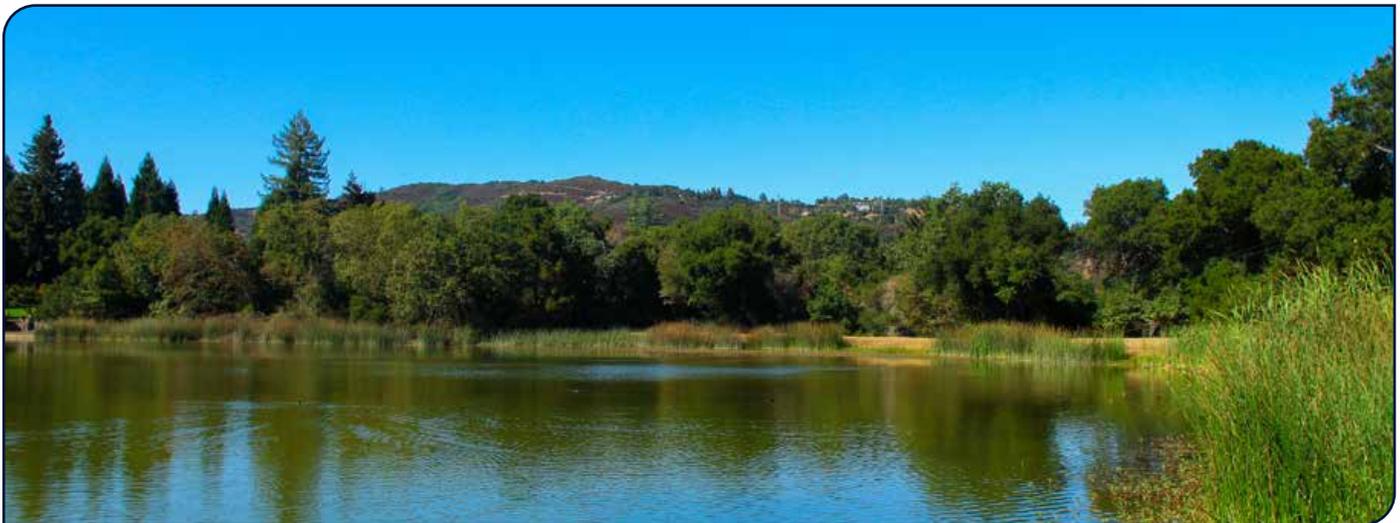
James ran his own trucking company, JC Trucking, for 52 years out of sheer love for trucking and the industry. Touré says his grandfather came to him in a dream shortly after his death in 2016, touching him on the shoulder and declaring, "I'm extremely proud of you, but now it's time." Touré woke up with a brand new vision and mindset from that day forward: it was time to leave the frustrations of his football coaching career behind and pick up his grandfather's trucking legacy. "It was evident from the beginning that Touré had a passion for starting his business," Tim recalls. "He developed a relationship with me through consistent contact and took all the advice I gave. He followed through on certification and became prepared for that call!" Building on this momentum, TM Carter Co acquired several trucks that SJW employs to clear project sites of rocks, hazardous materials, and sludge on project sites to prepare for main replacements or fix pipe bursts.

Tim also remarks that Touré has "the right blend of assertiveness in maintaining the right level of contact and acting on everything that was discussed," Tim recalls. "There was a genuine interest in learning how to proceed and gain traction." Touré attributes his recent success to a blue-collar mentality derived from his grandfather's passion. He lives by two guiding adages: "We don't care about race, just about industry," and "Love what you do - have faith. If you have that, you're golden."

**Next Steps**

SJW continues to support Touré's goal to grow his company within his current service offering, and we are actively looking into ways he can grow in other service areas as well.

For more information on the Diverse Supplier Program that Tim works with to identify partnerships with diverse businesses throughout the year, check out <https://www.sjwater.com/work-with-us/supplier-diversity>.



## Lewis & Tibbitts

Founded in 1973, Lewis and Tibbitts (L&T) is a San Jose, CA-based contractor that specializes in trenching and excavating for the installation of water mains, gas and electrical systems, communication lines and street lights. They work with some of the biggest utility companies, private developers and various government entities throughout the Bay Area.



L&T is one of San Jose Water's (SJW) top pipeline replacement construction firms. The firm is a critical partner when it comes to advancing supplier diversity within the area served by SJW. Even prior to gaining their own MBE certification, L&T remained committed to subcontracting to diverse firms. Approximately 24% of SJW spend with L&T was subcontracted to women, minority and disabled-veteran owned firms.

L&T gained their Minority Business Enterprise (MBE) certification in 2020 – a true “win-win” for all!

## Breaking Ground, Inc.



Owner Gerardo “Bo” Perez grew up in the San Jose/ Campbell area and attended Willow Glen High School. He has been involved in the construction industry for over twenty years as an owner/operator of backhoe and dump truck services.

Breaking Ground, Inc. provides excavation services for underground construction. Bo has experience in mainline and maintenance projects, and worked for many large construction companies before his time with San Jose Water (SJW).

SJW has made it a key priority to work with and source diverse suppliers who can compete for higher spend opportunities. Breaking Ground was identified as having a high potential for gaining certification, which was received from the California Public Utility Commission (CPUC) in December 2020.

Bo has been partnering with SJW for over 15 years. Achieving diverse certification from the CPUC has been a rewarding and a significant achievement for both Breaking Ground and SJW.

## **SAN JOSE WATER** Supplier Diversity Success Stories, continued

### California Water Association Capacity-Building and Technical Assistance (CB&TA):

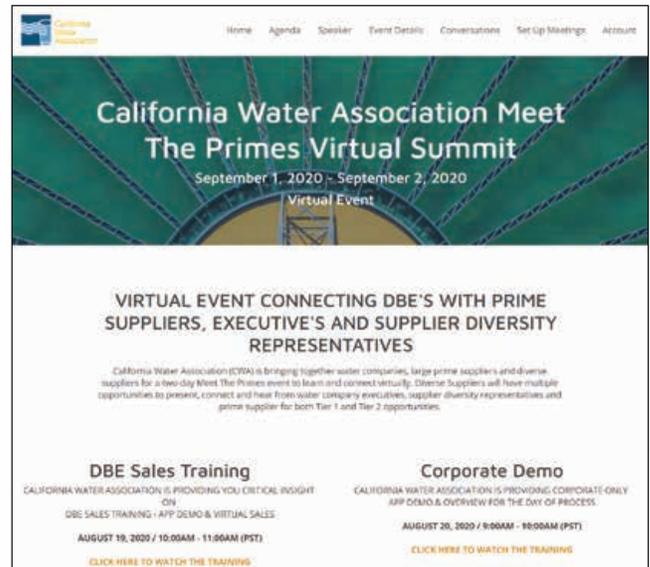
#### **California Water Association Meet the Primes:**

“Meet the Primes” remains a key event for our program; relationships with four current diverse suppliers originated from previous sessions.

In 2020, and in partnership with Joy Experience, we pivoted the program to an online production (v. in-person).

The event provided an opportunity for water utilities to discuss their operations, upcoming opportunities and service areas. In addition, diverse suppliers shared their qualifications, past experiences and value propositions.

As we move forward, we will track and report on contractual opportunities from the 2020 event.



## SAN JOSE WATER

# Supplier Diversity Success Stories, continued

### Water Acumen Training for Entrepreneurship Refinement (W.A.T.E.R.):

In 2020, we continued our CB&TA program through the California Water Association’s Water Acumen Training for Entrepreneurship Refinement (W.A.T.E.R.) Business Certification.



**California Water Association**

**W.A.T.E.R. 2020 Cohort**  
Water Acumen Training for Entrepreneurship Refinement

**LOCATION**  
Golden State Water Company  
160 Via Verde Drive  
Suite 100  
San Dimas, CA 91773

**VIRTUAL**  
Fridays | 9:00 am – 12:00 pm  
September 25, 2020  
October 16, 2020  
November 13, 2020  
December 4, 2020

**ONSITE**  
Fridays | 9:00 am – 3:00 pm  
March 12, 2021  
June 4, 2021

This program (similarly affected by the pandemic) shifted content delivery to virtual sessions. It was important for us to keep this initiative going due to positive results in the past.

We conducted four virtual sessions in 2020, with the 18-registered diverse suppliers, and plan to have two on-site sessions (pandemic-conditions permitting) in 2021.

A highlight of the content is the Similarities-and-Differences slide, where we review what makes each member utility different, and how best to approach us when seeking opportunities.

It took much work (and creative thinking) navigating the pandemic to maintain the program. We are proud of the results and we will share any contracting outcomes in future reports.

## CWA Similarities and Differences

							
<b>Headquarters (Location)</b>	Coronado (San Diego)	San Jose	San Dimas	Downey	El Monte	San Jose	Covina
<b>County</b>	San Diego	Santa Clara	Los Angeles	Los Angeles	Los Angeles	Santa Clara	Los Angeles
<b>Parent Company</b>	American Water	California Water Service Group	American States Utility Services (ASUS)	Algonquin Power & Utilities Corporation	N/A	SJW Group	SouthWest Water Company

**10.1.1**
**WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category**
**San Jose Water • G.O. #156 Sec. 10.1.1**

<b>Category</b>	<b>2019 Results</b>	<b>Short Term Goals**</b>	<b>Mid Term Goals**</b>	<b>Long Term Goals**</b>
Minority Men	19.2%	7.5%	7.5%	7.5%
Minority Women*	0.0%	7.5%	7.5%	7.0%
Minority Business Enterprise (MBE)	19.2%	15.0%	15.0%	15.0%
Women Business Enterprise (WBE)	6.0%	5.0%	5.0%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.0%	0.0%	0.0%	0.0%
Disabled Veteran Business (DVBE)	5.0%	1.5%	1.5%	1.5%
<b>TOTAL WMDVLGBTBE</b>	<b>30.1%</b>	<b>21.5%</b>	<b>21.5%</b>	<b>21.5%</b>

% - PERCENTAGE OF NET PROCUREMENT

\*Target goals each year are to meet the CPUC defined goals. Stretch goals are still being defined as of the date of this publication.

\*\*All WMBE's were counted as WBE's for purposes of this report

Note that we will institute a formal LGBT goal once the CPUC defines one. Although we do not show a formal goal, SJW is tracking LGBT spend and actively engaged in outreach to match LGBT capabilities to SJW opportunities.

Short, mid-term, and long-term goals are identified at the level called out by GO 156 and are subject to change from year to year. Although breaking down goals by SIC code is not practical, SJW has shown a consistent profile of nearly 50% of SJW spend in the construction, engineering, and construction services categories. For a detailed view of current and future purchase profiles by SIC code, please refer to tables contained within section 9.1.2.

At the time of this report's publication, SJW 2021 KPI's were still being reviewed. Therefore, they are not yet finalized. The proposed KPI for 2020 is shown in the table below. It is always a target to meet the CPUC goal of 21.5%. Given that SJW 2020 results were at the 30.1% level, the proposed Maximum (Stretch) Goal reflects an incremental growth and will be a focus for 2021.

<b>KPI Name</b>	<b>Minimum Goal</b>	<b>Target Goal</b>	<b>Maximum Goal</b>
Supplier Diversity	>16.5%	>21.5%	>31.1%

## 10.1.2

# Description of WMDVLGBTBE Planned Program Activities for the Next Calendar Year

### Internal Activities:

Major areas of focus for the 2021 Supplier Diversity Program include:

- Ensure policy and procedure documents are included in the new, centralized supply chain organization. This includes contract and RFP supplier diversity language standards, prime supplier diversity tracking and reporting requirements, standard supplier diversity weighting on all RFP bid evaluation forms and SJW-specific supplier diversity requirements for centralized purchasing.
- Revise standard Prime Supplier reporting templates for easier calculation of results.
- Adjust the RFP scoring template based upon pilot completion in early 2021.
- Enhance the new supplier intake process to ensure efficiencies and reliable input of supplier diversity data.
- Continue the work accomplished in 2020 by extending contract language changes and RFP scoring beyond construction/engineering. Move to adopt a standard across all business units.
- Further define the role of "Supplier Diversity Champions." Hold a minimum of 4 Supplier Diversity Champion meetings in 2021.
- Enhance the strategy, policy and guidelines regarding the use of Value Added Resellers (VAR) and Managed Service Providers (MSP).
- Aid in the creation of RFP vs. directed purchase, depending on dollar value of the purchase.
- Institute a formal internal/external supplier diversity recognition program.
- Enhance outreach strategy to supplier diversity Community Business Organizations (CBO).



### 10.1.2 Description of WMDVLGBTBE Planned Program Activities for the Next Calendar Year, continued

- Ensure that all prime suppliers who are subcontracting to diverse suppliers report their diverse subcontracting spend monthly to the Supplier Diversity Director.
- Insure all DBEs (direct and subcontractors) are registered within the Avisare registration portal. Insure visibility to all management.
- Complete annual review of supplier diversity website and make appropriate changes/updates.
- Complete annual review of vendor intake form and incorporate the appropriate changes/updates.
- Increase buyer participation at various CBO events.

#### **External Activities:**

- In compliance with Ordering Paragraph No. 4 of CPUC D.11-05-019 (in R.09-07-027), SJW will continue to work closely with the CWA and its members to participate in the Tier 1 capacity building and technical assistance programs. Continue to support the CWA W.A.T.E.R. program through June of 2021, which will complete the 2020 cohort, delayed due to COVID-19.
- In 2021, SJW will continue to work with the CWA and its member companies to host Business Opportunity Fair meetings, encouraging prime suppliers to increase sub-contracting participation. One Meet the Primes event is tentatively scheduled to take place September 15-16, 2021.
- SJW will continue to participate in and attend a variety of outreach activities with various CBO tradeshows, conferences and matchmakers.



### 10.1.3

## Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

### San Jose Water • G.O. #156 Sec. 10.1.3

SJW will focus on increased communication and partnerships with local organizations in the following categories:

- **Minority Owned Businesses:** The primary CBO utilized will be the Western Regional Minority Supplier Development Council (WRMSDC) and the Silicon Valley Black Chamber of Commerce.
- **Woman Owned Businesses:** Primarily through continued partnership with the Women's Business Enterprise Council - Pacific (WBEC-Pacific).
- **Disabled Veteran Owned Businesses:** In association with the Veterans in Business (VIB) Network and the Elite Service Disabled Veteran Owned Business (SDVOB) Network.
- **Gay, Lesbian, Bisexual, and Transgendered Owned Businesses:** With the support of the Rainbow Chamber - Silicon Valley and the Golden Gate Business Association (GGBA).

We will continue to participate in outreach to CBO's through matchmaking, panels, technical assistance, and mentoring, including but not limited to the organizations found in section 9.1.1.

During 2021, SJW will work to increase diverse spending in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs will continue in the following functional areas:

- Legal Services
- Financial Services
- Accounting
- Human Resources

### 10.1.4

## Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

### San Jose Water • G.O. #156 Sec. 10.1.4

SJW's primary focus is on recruiting diverse suppliers in categories where diverse suppliers are available. However, we remain committed to identifying diverse suppliers in categories that have historically shown few, if any diverse suppliers. The method of outreach will remain the same as outlined in section 10.1.3.

**10.1.5**

## Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

**San Jose Water • G.O. #156 Sec. 10.1.5**

We will continue the work accomplished in 2020 by extending the Prime Supplier Program to additional suppliers within the top 80% of SJW spend. We will work to ensure policy and procedure documents are included in the new, centralized supply chain organization. This includes contract and RFP supplier diversity language standards, prime supplier diversity tracking and reporting requirements, standard supplier diversity weighting on all RFP bid evaluation forms, and SJW-specific supplier diversity requirements for centralized purchasing.

Based upon lessons learned in 2020, we will increase our communications with prime suppliers around reporting rules and requirements. This includes revising standard Prime Supplier reporting templates for easier reporting. SJW will utilize the lessons learned from the pilot RFP scoring template (for construction/engineering) and incorporate changes to the RFP scoring strategy, as appropriate. We will look to standardize RFP language and scoring throughout additional business units. SJW will move to a monthly prime supplier reporting cadence. This includes ensuring that all prime suppliers who are subcontracting to diverse suppliers, report their diverse subcontracting spend monthly to the Supplier Diversity Director.

**10.1.6**

## Plans for Complying with WMDVLGBTBE Program Guidelines

**San Jose Water • G.O. #156 Sec. 10.1.6**

SJW will comply with all provisions and revisions of General Order 156. SJW works cooperatively with the Commission and its staff in the implementation of program objectives.

The USDP Program Director will continue to pro-actively work with USDP Champions to review, streamline, and improve policies that implement department goals and contract language to include diverse suppliers in all procurement.

## GO 156 Section 1.3 Definitions\*\*

TERM	Definition	Acronym	Certification
Minority-Owned Business Enterprises	Minority-owned business means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51 % of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined in the GO 156.	MBE	Supplier Clearinghouse
Woman-Owned Business Enterprises	Women-owned business means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.	WBE	Supplier Clearinghouse
Women, Minority-Owned Business Enterprises	WMBE means a women-owned and/or minority-owned business enterprise.	WMBE	Supplier Clearinghouse
Lesbian, Gay, Bisexual, Transgender (LGBT) Business Enterprise	LGBT-owned business means (1) a business enterprise (a) that is at least 51% owned by a lesbian, gay, bisexual, or transgender person or persons or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more lesbian, gay, bisexual, or transgender persons; and (2) whose management and daily business operations are controlled by one or more of those individuals.	LGBTBE	Supplier Clearinghouse
Women, Minority, and/or LGBT-Owned Business Enterprises	WMLGBTBE means a women-owned, minority-owned and/or LGBT-owned business enterprise. Under these rules, a woman, a minority and/or an LGBT person owning such an enterprise must be either U.S. citizens or legal aliens with permanent residence status in the United States.	WMLGBTBE	Supplier Clearinghouse



**GO 156 Section 1.3 Definitions\*\***

TERM	Definition	Acronym	Certification
Disabled Veteran-Owned Business Enterprises	<p>Disabled Veteran-owned Business (1) is a sole proprietorship at least 51% owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51% of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51% of the joint venture's management and control and earnings are held by one or more disabled veterans. (2) the management and control of the daily business operations are by one or more disabled veterans. And (3) it is a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.</p> <p>Disabled veteran refers to a veteran of the military, naval or air service of the United States with a service-connected disability and who is a resident of the State of California.</p>	DVBE	
Asian Pacific American	<p>Asian Pacific Americans-persons having origins in Asia or the Indian subcontinent, including, but not limited to, persons from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, India, Pakistan, and Bangladesh.</p>	MBE	
African American	<p>Black Americans-persons having origins in any black racial groups of Africa.</p>	MBE	
Hispanic American	<p>Hispanic Americans-all persons of Mexican, Puerto Rican, Cuban, South or Central American, Caribbean, and other Spanish culture or origin.</p>	MBE	
Native American	<p>Native Americans-persons having origin in any of the original peoples of North America or the Hawaiian Islands, in particular, American Indians, Eskimos, Aleuts, and Native Hawaiians.</p>	MBE	
Other 8(a)	<p>Other groups, or individuals, found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of Small Business Act as amended (15 U.S.C. 637(a)), or the Secretary of Commerce pursuant to Section 5 of Executive Order 11625. May include non-WMDVLGBTBEs firms.</p>	8(a)	

### GO 156 Section 1.3 Definitions\*\*

TERM	Definition	Acronym	Certification
	<p>"Subcontract' means any agreement or arrangement between a contractor and any party or person (in which the parties do not stand in the relationship of an employer and an employee):</p> <ol style="list-style-type: none"><li data-bbox="428 533 1101 663">1. For the furnishing of supplies or services for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts; or</li><li data-bbox="428 688 1101 785">2. Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.</li></ol>		

\*\* These definitions are not proposed amendments to Section 1.3 of GO 156. The purpose of these definitions is to provide convenient reference in preparing GO 156 reports.





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WATER

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