

# California Utilities Diversity Council



*2010 Annual Report*



## CALIFORNIA UTILITIES DIVERSITY COUNCIL

1017 L Street, PMB 306 – Sacramento, CA 95814  
[www.cudc.biz](http://www.cudc.biz)

October 12, 2010

President Michael R. Peevey  
Commissioner John Bohn  
Commissioner Dian Gruenich  
Commissioner Timothy Alan Simon  
Commissioner Nancy Ryan  
California Public Utilities Commission



Dear President Peevey:

California utility companies remain on the forefront of diversity in the nation with greater spends on diverse businesses. California leads the way in being mindful of the economic impact its decisions have on its diverse communities and diverse businesses.

Your leadership has driven us to reconsider the intent and outcomes of the 20 year old General Order 156. The recently released U.S. Census Bureau figures show California diverse communities led business growth in the State between 2002 and 2007. Over 35% of all California businesses were owned by American Indians, Asians, Blacks and Latinos. Thirty percent were owned by women, and the fastest growing were Asian, Latino and women owned businesses. The report did not include information on service disabled veteran owned businesses.

Several utilities have surpassed the goal of 21.5%, while other utilities are striving to reach that goal. Demographic changes taking place in California's private sector move the benchmark continuously upward. For example, given that women now own 30% of all businesses, Latino 16.5% and Asians at 14.9% of businesses, what would be the best course of being inclusive of these businesses?

The above-mentioned report also demonstrates a great need for economic development for Black, Latino and women communities. Their business numbers should ideally be proportionate to their size in the population. A nexus between restoring California's economic health and increasing the numbers of businesses owned by these three groups is indisputable.

The CUDC is committed to championing inclusive actions designed to increase all diverse communities' participation in utility business opportunities. And, we look forward to the CPUC's continued leadership, expertise and guidance, which is vital to attaining our collective goals.

This report provides information on the continued success and challenges of the work of the CUDC during the last year. Committees in the five pillar areas are: Governance, Supplier Diversity, Customer Service and Marketing, Philanthropy, and Employment.

We are grateful and appreciative for this extraordinary six-year partnership between the CPUC and the CUDC. Under your leadership, diversity by California utilities received national recognition and admiration. 2011 presents yet more opportunities to further our diversity achievements.

Sincerely,

José L. Pérez  
Chairman  
CUDC

## Employment Committee

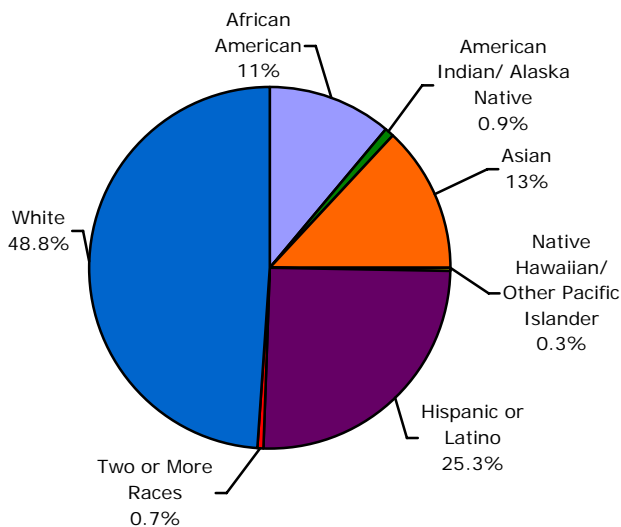
Committee Members: Nancy Smith-Taylor (Chair), Jess Haro, Rob Howard, Felicia Hudson, Joyce Ibardolasa, Pat Fong Kushida, José L. Pérez, Douglas Phason, Ileana Winterhalter

The California Utilities Diversity Council (CUDC) Employment Committee is a resource for advising utilities, the California Public Utilities Commission (CPUC), and policymakers regarding employee diversity in the regulated utility industry. From leadership to rank and file, employment opportunities should be provided on an equal basis without preference to any group. Employee diversity should reflect the rich mixture of California's demographics.

### Employee Diversity Survey

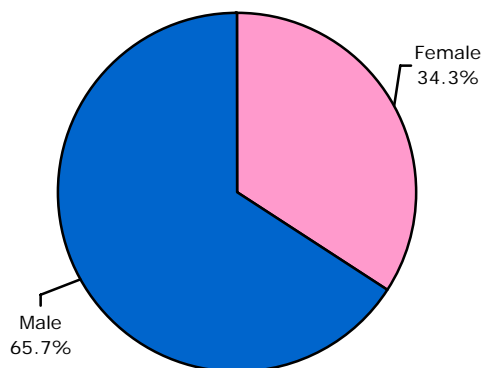
The CUDC Employment Committee conducted its annual survey of member utilities about the diversity of their respective workforces. Participating utilities included AT&T, California American Water, Comcast, Golden State Water, Pacific Gas & Electric Company, Park Water, San Diego Gas & Electric and Southern California Gas Company, San Gabriel Valley Water, San Jose Water, Southern California Edison, and Verizon.

#### CUDC Utilities – Workforce by Ethnicity\*



- A comparison among utilities participating in the CUDC and utilities nationwide shows that minorities in California occupy a greater percentage of the utility workforce.
  - The total workforce of utilities participating in the CUDC consists of 51.2% minority versus 23% minority nationwide (as reported in the EEOC 2008 data).
- Total minority representation increased by three percentage point between 2006 and 2010. This represents approximately 3,000 minority employees an almost 3.5% increase since the Employment Committee has been reporting the data.

#### CUDC Utilities – Workforce by Gender\*



- A comparison among utilities participating in the CUDC and utilities nationwide shows that females in California occupy a greater percentage of the utility workforce.
  - The total workforce of utilities participating in the CUDC consists of 34.3% female versus 25% minority nationwide (as reported in the EEOC 2008 data).
- However within our survey, total female representation decreased by approximately 3 percentage points between 2006 and 2010.

*Note: New members have joined the CUDC and participated in this survey, which impacts any trend information.*

## Employment Committee

### CUDC Utilities – Minority Workforce by Employee Categories\*

Employee Category	Black or African American	Asian	Native Hawaiian/ Other Pacific Islander	Hispanic or Latino	American Indian/ Alaska Native	Two or More Races	White	Total Minority	Total Female
Officer	5.5%	10.4%	0.0%	7.3%	0.6%	0.0%	76.2%	23.8%	24.4%
Director	6.4%	12.5%	0.0%	8.3%	0.4%	0.5%	72.0%	28.0%	34.7%
Manager	9.6%	15.4%	0.3%	17.0%	0.6%	0.7%	56.3%	43.7%	38.1%
All Other Exempt	7.6%	20.6%	0.3%	16.9%	0.7%	0.8%	53.2%	46.8%	37.1%
Bargaining Unit	11.6%	9.9%	0.3%	30.1%	1.1%	0.6%	46.3%	53.7%	29.9%
Non-Exempt	15.4%	13.6%	0.6%	30.1%	0.8%	1.3%	38.2%	61.8%	45.4%

*\*Source: 2010 CUDC Employment Survey of Member Utilities (data as of June 30, 2010)*

- A comparison of data since 2006 shows only a slight increase in minority representation in most classifications, with some remaining flat.
  - One exception to this is the Manager category. There was an increase in minority representation from 34.5% in 2006 to 43.7% in 2010.
- Female representation has decreased in each classification.

### **Advancing Diversity in the New Green Energy Economy** **2<sup>nd</sup> Annual Statewide Summit**

On June 28, 2010, the CUDC sponsored its second Green Energy Summit in Sacramento, CA. The Summit included panels on Workforce – Green Jobs and Training – The Green Pipeline. Nearly 500 participants attended, including policy makers, educators, industry experts, labor leaders, corporate executives, investors, business owners, and community leaders representing a diverse cross-section of interested California stakeholders. The Employment Committee designed the Workforce and Training sessions and confirmed several dynamic speakers.

**The Future of the Green Job Market.** The Green Jobs panel focused on future Green Jobs Market opportunities and explored trends and opportunities on the immediate and long-term horizon from the legislative perspective. Speakers included:

- Jose Millan, Vice Chancellor, Economic Development and Workforce Preparation Division, California Community Colleges – Panel Facilitator
- Assembly member V. Manuel Perez, Chair, Assembly Committee on Jobs, Economic Development and the Economy
- Panama Bartholomy, Advisor to the Chairman Karen Douglas, California Energy Commission
- Jason Walsh, Director of Policy and Strategic Partnerships, Blue Green Alliance

**Developing, Cultivating, and Training a Green Pipeline.** The Training panel provided an overview of the workforce training and education programs that will be available or will be needed to prepare the future workforce for this new Green Jobs market. Speakers included:

- Rob Howard, Utility Workers Union of America – Panel Facilitator
- Marcy Drummond, Vice President of Workforce & Economic Development, Los Angeles Trade Technology College & member of President Obama Task Force on Green Jobs
- Barbara Halsey, Executive Director, State Workforce Investment Board
- Tim Rainey, Executive Director for Workforce and Economic Development California Federation of Labor

### 2009/2010 Green Jobs Study Overview

Energy efficiency is California's highest priority resource and is projected to provide a significant share of "green jobs" in the future. Currently, California leads the nation in developing and implementing successful energy efficiency initiatives and has set aggressive goals to achieve significant energy savings by 2020 and beyond. In addition, California has adopted clear objectives for demand-side resources, distributed generation, renewable resources and the environment. The CUDC Green Jobs Study was designed to provide critical information to ensure a supply of skilled workers from diverse backgrounds is well-positioned to contribute to California's energy efficiency goals as well as goals for demand-side management, renewable energy and the green economy.

In December 2009, the CUDC and LATTC/REDI learned of a similar study being conducted by the Institute for Research on Labor and Employment at the University of California, Berkeley, and sponsored by the California Public Utility Commission. In January, 2010 a joint meeting was facilitated by LATTC/REDI between CUDC Employment Committee and the Institute for Research on Labor and Employment at UC Berkeley to discuss the two studies and to ascertain ways to collaborate. Subsequent to the meeting the CUDC Employment Team decided to postpone, indefinitely, completing the Green Jobs Study until the UC Berkeley study is completed due to apparent duplication and redundancies between the two studies and the extensive methodology and scope of the UC Berkeley study.

In addition, LATTC/REDI is participating on the planning committee with UC Berkeley (and other statewide stakeholders) in planning a one-day summit in which the study results will be disseminated and implications discussed--the Workforce Strategies, Energy Efficiency, and Green Jobs Summit, December 8, 2010. Members of the CUDC are invited to participate in the Summit.

Following is a summary of the efforts and outcomes of the CUDC Green Jobs Study that were completed before the postponement.

The purpose of the "Green Jobs Study of Investor Owned Utilities (IOUs) Operating in California" was to engage key stakeholders of the utility industry—including all variety of entities that comprise the sector—in describing the requisite workforce to support their green-related initiatives including:

1. Developing a shared definition of green jobs;
2. Identifying, inventorying, and assessing green job demand, opportunities, and wages; and
3. Describing the wages, skills, and competencies for such jobs.

This study, started in 2009 under the auspices of CUDC's Employment Team, was specifically focused on Investor Owned Utilities (including cable), their green-related initiatives, and green jobs resulting from such initiatives within the state of California. The study included water, electric, gas, cable, telecommunications, and broad band organizations that comprise the utility industry sector such as Sempra Energy (including Southern California Gas Company and San Diego Gas and Electric), Pacific Gas and Electric Company, Southern California Edison, AT&T, and Verizon to name a few.

Los Angeles Trade-Technical College's (LATTC) Regional Economic Development Institute's (REDI) role was to provide research technical assistance to the utilities necessary for the implementation and completion of the study including: study design, data collection methods, and analysis and report of findings. REDI, within the Division of Workforce and Economic Development at LATTC, was chosen to serve in this role because of its state and national leadership in green workforce development initiatives, programs, and activities.

## Employment Committee

Nationally, and particularly in California, a plethora of research, task force and committee activities have been conducted with this same effort in mind. Many of these activities include examination of energy-related industries; however, they do not address the full range of entities and occupations in the utilities.

- The following study activities were completed. The committee established collective/shared priorities and target audiences for the study.
- These priorities were used to develop the overall purpose and scope such as: which IOUs would participate, territory/regions to study, which types of occupations (“in-house”, contractors, supply chain, etc.) to include; and timeframe (e.g., how far in the future to project jobs/employment).
- These priorities were also used to select key questions the study would seek to address/answer and which questions the study would not try to address/answer.
- Two distinct timeframes for estimating green job information for the study were established: short-term (2-4 years) which focuses on the “up-scaling” of the existing workforce and long-term (5 years and beyond) which replacement and/or new workforce due to retirements and new sustainability initiatives.
- An inventory of existing green job studies was also conducted—121 studies were collected; 39 of which included a green jobs definition, and 11 specifically focused on green jobs in California. However, none of these studies focused on green jobs in the utility sector, overall or in California, and none of the studies answered any of the questions included in the scope of this study.
- Initially, a pilot IOU initiative was selected to provide a framework for testing study questions and data collection methods. The pilot included the development of an overall description of the initiative, including the goals and objectives. The pilot also included the development of an occupational matrix which included the following information for energy efficiency initiative occupations: Job Type/Classification/Title, Salary Range, Education/Training Requirements, Utility/Contracted Job, Range of Number of Jobs, New/Existing
- Research was conducted on various models/methods that could be used to estimate value chain jobs as a result of IOU green initiatives. Two methods were selected.

The CUDC Employment Team will continue to monitor and contribute to the work being done in this area.

## Governance Committee

**Committee Members:** Kevin Tilden (Chair), Johnnie Giles, Jess Haro, Bill Harper, Dennis Huang, Elva Lima, Ken McNeely, Gwen Moore, José L. Pérez, Frank Quevedo, Vicki Zeiger

The information provided in this year's report includes the minority and women representation of Boards of Directors of California companies regulated by the California Public Utilities Council (CPUC), many of whom are also members of the California Utilities Diversity Council (CUDC). All of the Big 5 responded.

- AT&T
- Pacific Gas & Electric
- San Diego Gas & Electric
- Southern California Edison
- Verizon

### Newly Elected/Appointed Board Members July 2009 - August 2010

- Eight new board members were elected/appointed during this time.
- Of the new Board members, 12.5% (1) is female and 75% (6) are minority.
- Of the two white males appointed, one was a company CEO appointed to the board, not an external appointment or election.

The ethnic breakdown of the new minority members is as follows:

- 25% African Americans (2)
- 25% Latino (2)
- 25% API (2)

### Foreign Nationals

Two companies have board members that, while non-white, are foreign nationals and residents of their country of birth. Those are AT&T and Sempra who do business outside of California. For this report, they are included as diverse.

### Board Members of the Five Largest Utilities and water consortium in the CUDC 2009/2010

The combined survey results for the five largest utilities participating in the CUDC as well participating water utilities are included below.

2009/2010 Five Largest Utilities in CUDC	African - American		Native American		Asian		Latino		White		Total	% Fem	% Min
Ethnicity Totals	12	10%	0	0%	7	6%	9	8%	91	76%	119	18%	24%

- Based on 119 Board members, 18% (22) are female and 24% (29) are minority.
- Three of the 11 female directors are minorities (one African American, one API, and one Latina).

The results of the five largest utilities and water utilities in the CUDC compare favorably to the studies of Fortune-500 Boards, exceeding the 15% of Fortune-500 female Board members found by the Catalyst Census Report. The percentage of minorities (24%) on the Boards of the five largest utilities also compares favorably to the Fortune-500 Boards where only 12% of Fortune-500 Board seats are occupied by minorities.



## Governance Committee

### Board Members of Utilities in California Regulated by the CPUC 2000

The combined survey results for the five largest utilities participating in the CUDC and regulated by the CPUC as well participating water utilities are included below.

2000 Five Largest Utilities in CUDC	African - American		Native American		Asian		Latino		White		Total	% Fem	% Min
Ethnicity Totals	9	6%	0	0%	4	3%	12	9%	116	82%	141	15%	18%

- Based on 141 Board members 15% are female and 18% are minorities.
- Native American participation has remained strikingly unchanged and is unsatisfactory.

### Summary & Recommendations

The trend toward more diversity continues, however one could argue it is coming slowly at the expense of female board members and that the trend has left Native Americans behind. Attention should be paid to both of these issues. Board representation in the utility industry continues to outpace that of the Fortune-500. At the same time, although some progress is indicated in these numbers, we share the concern about the rate of change being shown and how it may relate to the communities served by our utilities.

In addition, a look at the newest Board members shows percentages of minority and female members well above the Fortune comparison, although there is still room for improvement. One of the recommendations noted above is that companies take a broader look at candidates for the Board, accepting nominations from qualified executives in the organizations, from academic backgrounds or foundations, non-profits, or public agency Boards .

The CUDC and the Governance Committee are interested in seeing the number of minority and female board members continue to increase. All of our members believe that the composition of Boards should reflect diversity.

A PowerPoint has also been prepared which better demonstrates the trends in these areas and is available by contacting Kevin Tilden at [Kevin.tilden@amwater.com](mailto:Kevin.tilden@amwater.com).



## Philanthropy Committee

**Committee Members:** Frank Quevedo (Chair), Kimberly Freeman (Vice Chair), Ezra Garrett, Jess Haro, Rob Howard, Felicia Hudson, Pat Fong Kushida, Jose L. Perez, Tammy Tumbing, Ileana Winterhalter, Nancy Zarenda,

### 2009 Update

Collectively in 2009, the energy and telecommunications utilities reported approximately \$78.95 million as total cash philanthropy. In 2008, the total cash philanthropy reported was \$79.55 million. The water utilities did not report cash philanthropy.

2009 pre-tax operating income reported for five of the six CUDC energy and telecommunications utility companies was \$4.18 billion; pre-tax operating income reported for the same companies was \$4.79 billion in 2008. Philanthropy as a percent of pre-tax operating income for the five companies who reported both cash philanthropy and pre-tax operating income was 1.27%.

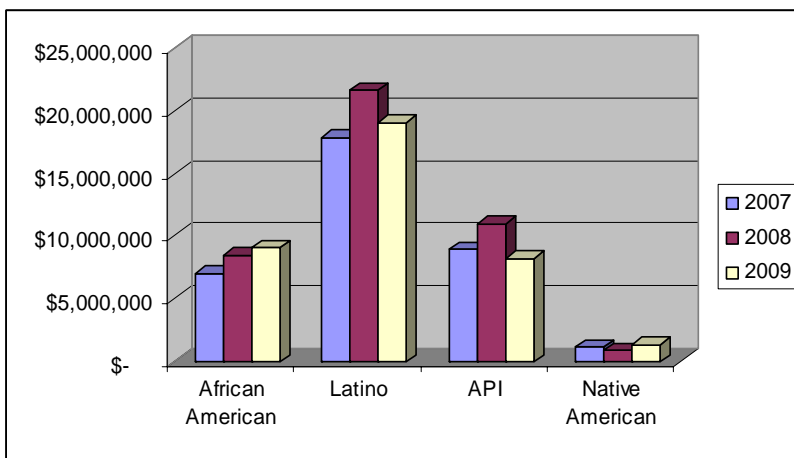
Additionally, 71% of total cash philanthropy for all six companies was spent in African American, Latino, Asian Pacific Islander, and Native American communities combined. Additionally, cash philanthropy was spent in other underserved communities including seniors, low income, the disabled, women & girls, and LGBT communities.

*Note:* Each company has its own definition of "other underserved", impacting the aggregate charitable contributions in other categories of giving.

Category	Amount
Latino	\$19,028,734
African American	9,052,684
Native American	1,324,177
Asian Pacific Islander	8,218,712

Table 1. Cash Philanthropy in 2009

As we noted in the 2008 report, it appears that the CUDC-member utilities continue to increase overall focus on communities of color, which has resulted in adjustments to how contributions are counted when they address multiple ethnicities or multiple underserved characteristics.



2007 - 2009  
Charitable giving:  
communities of  
color

## Philanthropy Committee

### Other Philanthropy Highlights

- Verizon employees in California volunteered more than 46,000 hours with nonprofit organizations - the equivalent of 27 employees working full-time for one year.
- Sempra Energy Foundation launched a \$1 million Environmental Champions Awards program created to recognize the environmental efforts of Southern California organizations and in response to the economic downturn in California, the Foundation donated \$1.5 million to non-profits that focused on serving people in need.
- Southern California Edison invested \$15.5 Million to communities in its service territory.
- PG&E donated \$19.25 million to charitable organizations, representing 1.1% of pre-tax earnings from operations.
- In 2009, AT&T gave \$30.8 million to worthy philanthropic endeavors in the state, primarily in two program areas: workforce readiness and keeping children in school as well as efforts to bridge gaps in access to technology in underserved communities.

## Customer Service and Marketing Committee

**Committee Members:** Betsy Berkhemer-Credaire (Chair), José L. Pérez, Joan Kerr, Gwen Moore, Tracy Stanhoff, Ruben Guerra, Felicia Hudson, Ileana Winterhalter, Joyce Christianio, Vicki Zeiger, Dennis Huang, Peter Ramirez, and Nancy Zarenda

Customer Service and Marketing Committee set three objectives:

1. Host a gathering of California diverse media and public relation company owners and top advertising firms working for California utilities, to enhance business opportunities (coordinate with CUDC Procurement Committee). Coordinate invitations to the Ad agencies with appropriate utility executives.
2. Take inventory of the various communication mediums used by CUDC members and develop a consistent and ongoing CUDC communications project to inform and educate on procurement, employment, philanthropy, customer service and governance issues. Provide the CPUC an update of this committee's plans for 2011.
3. Meet with one commissioner to brief them on this project and ask for their assistance.

A new committee chair, Ms. Betsy Berkhemer-Credaire, was appointed mid-year and Commissioner Nancy Ryan has graciously accepted our invitation to assist us with the first objective outlined above.

### Short-term plan for January 2011

To increase advertising spend by the utilities with DBE media outlets and advertising, marketing and direct mail agencies, the CUDC plans a day-long Forum in January 2011. The Forum will be staged in two parts—high-level panel discussions (two) in the morning and matchmaking appointments in the afternoon at the Auditorium and public rooms at the CPUC in San Francisco.

The goal of the meeting is to ask the utilities and agencies what portion of their advertising spend actually goes to women and minority firms, how the proportion of the spend can be increased, not only as required by the client companies, but by the major national advertising agencies who could/should sub-contract with more minority firms.

Chief Marketing Officers of the public utilities, telecommunications firms, and water companies, will be invited to participate in the first panel to discuss their advertising spend with general market media and agencies, how much goes to diverse businesses, and how they can re-deploy advertising dollars to be more inclusive of minority and women-owned media and agencies. Important topics to explore will be what happens after the RFP process—when utilities commit their annual advertising and marketing budgets to their agencies—how much of the promised subcontractor money and media dollars actually flow through to the minority and women-owned companies--and how that can be improved.

The second panel will include the leaders of Agencies of Record (AOR's), Direct Response firms and Media Buying Firms that are the primary recipients of the media budgets from the utilities, telecommunications and water companies. The panel will explore how more money can be allotted to the WMDBE companies; and how the general market firms can be more inclusive with minority media and agencies.

AOR's will be asked to explain their outreach to subcontractors and DBE-owned media and what measurement do they track--what compliance factors are built into making sure that the DBE companies actually receive dollars.

## Customer Service and Marketing Committee

A large audience will be comprised of minority and women-owned advertising agencies, media buying firms, and media (radio, newspaper, print, online) who will listen to the panels and be invited for match-making appointments in the afternoon.

The CUDC community members will be asked to assist in marketing the Forum through their member companies, to ensure a large turnout of minority-owned media (radio, TV, newspaper/magazine, online) companies; along with advertising agencies, direct response agencies, media buying companies and commercial production houses.

Possible dates in January are being explored now, based on what dates are available at CPUC auditorium. Following a brown-bag lunch, match-making appointments will be set up in the Golden Gate room or other public rooms, where representatives from the utilities and the DBE firms will discuss specific upcoming contract opportunities.

We want to foster subcontracting and partnerships from the major advertising agencies. We also want the majors advertising agencies to open up various sub-elements of their business to diversity participation e.g. printers, copywriters, photography, videography and commercial production houses. Then there is the media side - who places the Ads and where?

The CPUC Commissioners want to help open up maximum opportunities in this previously closed industry. It will take a major commitment by all participants to accomplish positive change. The Forum for Diverse Advertising and Media will be the first step in January, 2011.

Throughout 2011, this CUDC committee will follow up with the Chief Marketing Officers to track the outreach efforts and take inventory of the media and DBE companies that have been included by the utilities, the AOR's and related contractors. We will also develop an inventory of the DBE media and agencies to inform the CMO's and general market AOR's about the panoply of DBE firms in the media and advertising industry.

Among the national and California-based leaders in advertising and media to participate will be:

AT&T, Verizon, Sprint, Comcast and Time Warner Cable

San Diego Gas & Electric, Southern California Gas Company

Pacific Gas & Electric, Southern California Edison

California Water Association

## Procurement Committee

**Committee Members:** Joan Kerr (Chair), Joe Alderete (Co-chair), Betsy Berkhemer-Credaire, Carmen Herrera, Charmaine Jackson, Ileana Winterhalter, Douglas Phason, Dennis Huang, Monica Heredia, Felicia Hudson, Pat Fong Kushida, Emma Maxey, Gwen Moore, José L. Pérez, Peter Ramirez, Tracy Stanhoff, Betty Jo Toccoli, Ken Macias, Ruben Guerra, A.J. Wilson

For the last several years the CUDC Procurement Committee has reported an overall increase in supplier diversity results among the utilities. We are again pleased to report that the major California Utilities (AT&T, SCE, PG&E, SDG&E, SoCalGas, Verizon) increased supplier diversity spending year over year by 11.2 percent. In 2009 these utilities spent \$3.0 billion with minority, women and disabled veteran owned businesses (charts attached).

The CUDC Procurement Committee continued to coalesce the resources of the CUDC members to focus on our long-term strategy of tackling common spend areas with low supplier diversity performance. In addition we successfully showcased the opportunities and the current successes of diverse suppliers in utility green initiatives at the CUDC Green Summit. Again in 2009, we actively participated in the CPUC's supplier diversity outreach events.

The committee focused on the following areas:

- I. Supporting the CPUC in continuing to produce statewide Forums for small businesses seeking to do business with the California Utilities and;
- II. Supporting the CPUC in continuing to produce targeted seminars in the Professional Services Arena;
- III. Supporting the 2009 Green Summit through the production of four procurement workshops within the Summit.
- IV. Supporting the increase of opportunities for diversity firms to participate in the Professional Services procurement category, where utility procurement results show low diversity participation. Legal, Financial and Consulting Services have been the initial areas of focus.

### **I. Statewide Small Business Expos**

This CPUC initiative, implemented by Commissioner Bohn, began in 2006 with the mission to: help connect small businesses to CA utilities' contract opportunities; provide education on the benefits of becoming certified as a diversity owned business; inform small businesses of utilities' best business practices and "how to get in the door" with utility companies and provide networking with other small business owners. The CUDC Procurement Committee ensured utility representatives fully participated in these Expos around the State. The Expo events joined with other supplier diversity organizations with common missions. These outreach events included "Doing Business with the Utilities" panel presentations and one-on-one meetings and networking with diversity small businesses. The utilities also recruited prime suppliers to join CUDC members in this effort. In 2010 the Small Business Expos were featured as part of the:

#### **2010 CPUC Small Business Program Calendar**

February 25  
Minority Business Opportunity Day - Southern California Minority Business Development  
City of Industry, CA

## Procurement Committee

February 26

WBENC Meet the Lenders/Meet the Buyers Council  
Napa, CA

March 18

CPUC Victorville Small Business Expo  
CPUC and Verizon  
Victorville, CA

May 10-11

NAWBO Public Policy Day  
National Association of Women Business - Owners-California Chapters  
Sacramento, CA

May 24, 25

Keeping the Promise DVBE Alliance  
California Disabled Veteran Business Alliance  
Irvine, CA

July 15

CPUC San Diego Small Business Expo  
CPUC and SDG&E  
San Diego, CA

July 25-27

AICOCC Annual Business Expo  
American Indian Chamber of Commerce of California  
Rancho Mirage, CA

August 5

NCSDC Minority Business Opportunity Expo  
Northern California Supplier Diversity Council  
San Jose, CA

August 11-13

California Hispanic Chamber of Commerce Convention  
Los Angeles, CA

August 18-21

California Black Chamber of Commerce Convention  
Manhattan Beach, CA

September 17

Latin Business Association  
Minority Women's Business Conference and Awards  
Los Angeles, CA

October 7

Asian Business Association Small Business Exchange & Matchmaking  
Asian Business Association- LA  
City of Industry, CA

## Procurement Committee

October 14  
Black Economic Council  
5th Annual Urban Economic Council  
Oakland, CA

November 4  
Black Business Association Procurement Expo  
Los Angeles, CA

November 10  
Elite Veterans Annual Pre-Veterans Day Event  
Elite Veterans SDOB Network - Southern California  
San Diego, CA

December 1  
CPUC Oakland Small Business Expo  
CPUC and PG&E  
Oakland, CA

### **II. Targeted Seminars**

All California utilities continue to have significant challenges in meeting their supplier diversity goals for professional services procurement as documented in utility members' Annual CPUC Utility Supplier Diversity Reports. Diversity owned businesses and diversity business associations have requested the utilities to focus on improving procurement results in all professional services arenas.

The CUDC Procurement Committee has continued to produce or actively participate in a variety of outreach forums focused on specific professional services sectors. Each forum includes the participation of utility executives and supply chain managers along with their prime supplier companies. The forum presenters explain the supplier diversity programs of these companies and how diverse professional service suppliers can compete for utility business—whether first or second tier. “Matchmaker” meetings are held between the diverse businesses, the utilities and their prime suppliers.

### **III. CUDC Green Summit**

The Procurement Committee was fully engaged in helping to produce the CUDC Green Summit held in Sacramento on June 28, 2010. This day-long event gave us the opportunity to educate diverse suppliers about the competitive criticality of positioning their own businesses as “green” and also about the business opportunities that are imbedded within the green initiatives of all the utilities. We produced four workshops with thought provoking panelists from the green frontier. Several diverse suppliers were able to share their leading edge initiatives in greening their own business.



## Procurement Committee

### **IV. Professional Services Procurement Categories**

In support of the Commission's focus on Legal Services, the CUDC Procurement Committee continued to support the outreach forums hosted by the utilities' General Counsels and major law firms. The Committee produced or supported Financial Services forums and selected Consulting Services as an additional professional services focus area.

The utilities have continued with the critical planning steps for an initial status meeting between the Commission, the utilities' top consulting prime suppliers and the utility executives that work closely with the consulting prime suppliers. Our plan is to have this focused status meeting wherein the prime consulting firms and utility executives can present the current status of diversity spend in this arena and the challenges that they are facing. The Commission can provide guidance and the focus for launching a later public Consulting Services Forum wherein the consulting firms will make presentations about their supplier diversity programs and initiatives. Utilizing the model the Procurement Committee has developed and employed in other professional service arenas, we will also have matchmaker sessions between the utilities, consulting primes and diverse consulting companies. Now that we have identified the specific participants, we are working with the Commission to calendar the first Consulting Services Status meeting.

The CUDC Procurement Committee will support Commissioner Simon's October 21<sup>st</sup> "Symposium on Pension and Consulting Services" meetings between utilities, prime suppliers and diverse suppliers. This meeting will facilitate a better understanding between the utilities, primes and potential diverse suppliers of the utility opportunities and diversity firm capabilities in targeted financial service arena.

### **Additional 2010 Initiatives:**

DVBE Focus: In 2010, the CUDC Procurement Committee continued to give special attention to increasing contract opportunities for disabled veteran business enterprises (DVBEs). The Joint Utility group continued its work with representatives from the California DVB Alliance, Elite SDVOB Network, and CPUC staff members on efforts to increase the utilization of DVBE suppliers. Several meetings were held to discuss more effective ways to identify DVBE suppliers whose product/service area was in alignment with the utilities current and future needs.

To support the above initiatives, the State of California Department of General Services' database of certified SDVOBES are now available in the CPUC Supplier Clearinghouse database.

### **2011 Initiatives:**

In 2011 we will continue to focus on Professional Services and our work with the Legal, Financial, and Consulting Services sectors. The Procurement Committee had to defer its work on the Advertising industry until the 4<sup>th</sup> quarter of 2010 due to the resources required to develop the highly successful Green Summit, the OIR and scheduling conflicts with the Commissioners. Nevertheless, in 2010, individual companies made progress in the Advertising arena and this will serve as a good foundation for our joint initiative in 2011.

### **Implications of U.S. Census Survey of California Businesses (2002-2007):**

It is important to note the highlights and comparison of the U.S. Census report on the demographics of California's business as of 2007.

California's diverse owned businesses grew in numbers at a much faster clip than all other groups combined between 2002 and 2007 according to a new report released by the U.S. Census Bureau, "Preliminary Estimates of Business Ownership by Gender, Ethnicity, Race and Veteran Status: 2007." (<http://www.census.gov/econ/sbo/>) The study did not include Service Disabled Veteran Owned Businesses.

## Procurement Committee

Here is a quick overview of the numbers as compared to California's estimated 2010 population by race, ethnicity and gender:

### Profile of California's Diverse Business Trends

Group	2002		2007		Net Growth		2010 Population Percent Est. *
	#	%	#	%	#	%	
American Indian	38,126	1.3	45,734	1.3	7,609	1.3	0.6
Asian	371,530	12.8	509,670	14.9	138,140	26.7	12.4
Black	112,815	3.9	137,875	4.0	23,060	4.5	5.8
Hispanic	427,678	14.7	566,436	16.5	138,758	26.7	37.1
White**	2,322,121	79.8	2,617,564	76.4	297,443	57.4	79.1
Women***	870,496	29.9	1,039,642	30.3	169,146	32.6	50.1
Total	2,908,758	100.0	3,426,953	100.0	518,195	100.0	

\* Source: California Department of Finance Research Bureau

\*\* This number and percent includes Hispanic Whites

\*\*\* This number and percent includes women of all ethnic and racial groups

This report offers a great opportunity to assess and strategize on how the quality of life for all Californians could be lifted to its full potential. It shows unique communities that could benefit from focused economic development by government and private sector leaders. A simple review of the "business participation rate" in the table below perhaps shows the strategic emphasis needed for Blacks, Latinos and women with respect to economic development:

### Rate of Business Participation is Not Equal

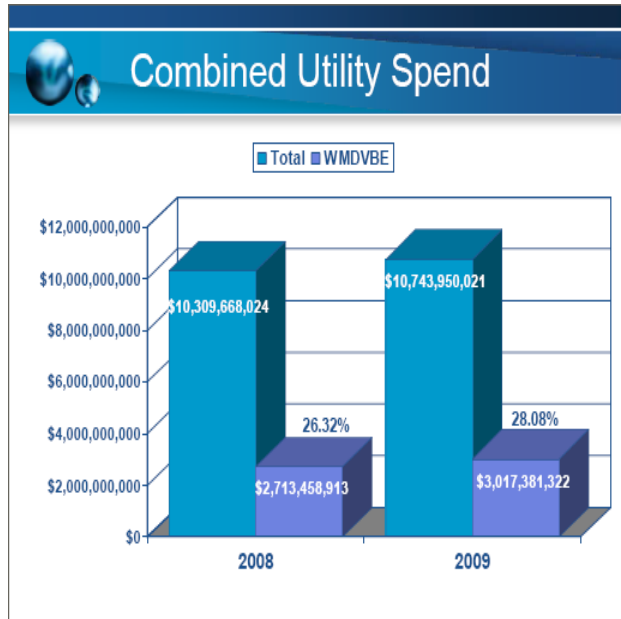
Group	2007 Businesses		2010 Est. Pop*	Business Participation Rate
	#	%		
American Indian	45,734	1.3	0.6	216.6
Asian	509,670	14.9	12.4	120.1
Black	137,875	4.0	5.8	68.9
Hispanic	566,436	16.5	37.1	44.5
White**	2,617,564	76.4	79.1	NA
Women***	1,039,642	30.3	50.1	60.5
Total	3,426,953	100.0	100.0	

\* Source: California Department of Finance Research Bureau

\*\* This number and percent includes Hispanic Whites

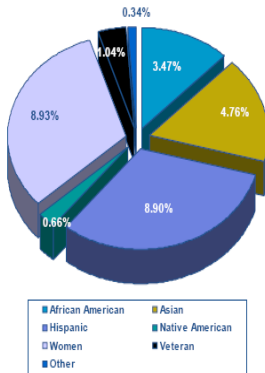
\*\*\* This number and percent includes women of all ethnic and racial groups

# Procurement Committee



### 2009 Total Utility Spend per WMDVBE

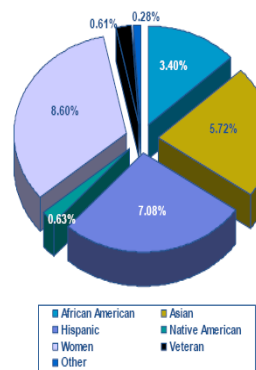
28.08% Spend went to WMDVBEs



Total overall Spend:		\$10,744B
Total WMDVBE Spend:		\$3,017B
African American	3.47%	\$372.9M
Asian	4.76%	\$511M
Hispanic	8.9%	\$954.8M
Native American	0.66%	\$71M
Women Owned	8.93%	\$959.7M
Service Disabled Veteran	1.04%	\$111.7M
Other	0.34%	\$36M

### 2008 Total Utility Spend per WMDVBE

26.32% Spend went to WMDVBEs



Total overall Spend:		\$10,310B
Total WMDVBE Spend:		\$2,713B
African American	3.4%	\$350.4M
Asian	5.72%	\$589.8M
Hispanic	7.08%	\$730.2M
Native American	0.63%	\$64.8M
Women Owned	8.6%	\$866.5M
Service Disabled Veteran	0.61%	\$62.8M
Other	0.28%	\$28.9M

# CALIFORNIA UTILITIES DIVERSITY COUNCIL

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<b>Nancy Zarenda</b> , Director - Spanish Language Academy	Co Vice Chair
<b>Vicki Zeiger</b> , Vice President – Human Resources, San Diego Gas & Electric	Co Vice Chair
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