



Supplier Diversity

Helping to Build America's Cleanest, Safest and Most Reliable Energy Company



Diverse Business Enterprises • 2017 Annual Report • 2018 Annual Plan
March 1, 2018

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2017 SDG&E Supplier Diversity Annual Report

Letter from SDG&E President



At San Diego Gas & Electric® Company (SDG&E®), we have a long history of fostering a diverse workplace and partnering with diverse businesses to supply the goods and services our company needs. We value diversity because it not only produces better business decisions, but it creates an inclusive

culture that represents the customers, suppliers, and the communities we serve. In 2017, SDG&E achieved the highest level of spending with diverse businesses in the history of our company, purchasing 44.6 percent, or over \$703 million, worth of goods and services. This is the fifth consecutive year that SDG&E's supplier diversity spending has been above 40 percent, far exceeding the California Public Utilities Commission's (CPUC) goal of 21.5 percent.

Our achievements in supplier diversity can largely be attributed to three key focus areas.

Employee Driven Programs

The first is employee driven programs. SDG&E has more than 150 employees who serve as supplier diversity champions and ambassadors. They help diverse firms connect with business opportunities. As a result, diverse business owners are receiving guidance and mentoring from key decision makers to help grow their business.

Develop from Subcontractor to Prime

The second focus area has been to develop our subcontractors to become prime contractors. Our prime business partners and contractors are fully aligned with helping SDG&E expand the supplier base. This alignment has created opportunities for diverse suppliers to enter the energy industry through subcontracting. In 2017, \$248 million, or 15.7 percent of our diverse business spending was achieved through prime subcontracting.

Training Programs

Also critically important are our training programs. Every year, we evaluate our technical assistance programs to adapt to changes within the energy industry and support the needs of our suppliers and community. The collective experience and feedback from our suppliers contributes to SDG&E's leadership in technical assistance.

I am proud of what has been accomplished to promote diversity and create new business opportunities. I am confident that this success will sustain well into the future.

Scott Drury

SDG&E President

Letter from SDG&E Chief Operating Officer



As we work to build the cleanest, safest, and most reliable energy company in America, we are committed to diversity in our operations as well as in our communities. We have long known that a diverse supplier base that reflects the customers we serve enhances our ability to remain

competitive while contributing to a healthier and more vibrant local economy.

Our success in 2017 was driven by spending in core business areas, such as Operations Support, Major Projects, Electric Transmission & Distribution Engineering and Gas Operations.

Our major construction projects represented over 46 percent of the total spending with diverse businesses. To date, \$42.2 million has been spent with diverse businesses on the Cleveland National Forest Project, which will improve the safety and reliability of electric facilities in the East County by replacing wood poles with fire-resistant steel ones.

Also advancing opportunities for diverse businesses is our Pipeline Safety Enhancement Plan (PSEP), through which we pressure test pipeline sections and upgrades, and replace or retrofit pipelines and valves as needed. This program achieved 39.7 percent, or \$19.5 million in supplier diversity spending last year.

It is these types of projects that demonstrate our ongoing commitment to supplier diversity. We will continue to push on increasing participation by diverse businesses so that our industry reflects the makeup of the communities in which we live and serve.

I have great confidence in our organization to continue to pursue opportunities and deepen our commitment to ensure diversity in our partners that help us accomplish our company's mission and goals.

Caroline Winn

SDG&E Chief Operating Officer

Executive Summary

San Diego Gas & Electric Company (SDG&E) maintained strong supplier diversity spending results in 2017 with 44.6 percent, or over \$703 million, of all spending going to diverse business enterprises, once again exceeding the California Public Utilities Commission's (CPUC) General Order 156 goal of 21.5 percent.

Our 2017 results were driven by core business areas, such as Operations Support, Major Projects, Electric Transmission & Distribution Engineering and Gas Operations. It is important that we foster these relationships with diverse suppliers because the spending in these core areas is significant. These areas contributed over 52.6 percent, or \$369.8 million, in 2017.



Denita Willoughby
VP Supply Management & Logistics

"Risk Management is a core function of Supply Management. We partner and diligently work to manage risks by analyzing, assessing and mitigating risks."



Mike Schneider
VP Operations Support & Chief Environmental Officer

"Cultivating a strong network of diverse suppliers is critical to our ability to negotiate competitive pricing. Growing our supplier base enables us to partner with more companies that know our business and can add extra value that flows to our bottom-line."



Laura Atkinson
Director CIS Program Management

"We encourage our suppliers to bring advancement in technology and services. A strong innovation strategy requires investing in research and development of new technologies and procedures."

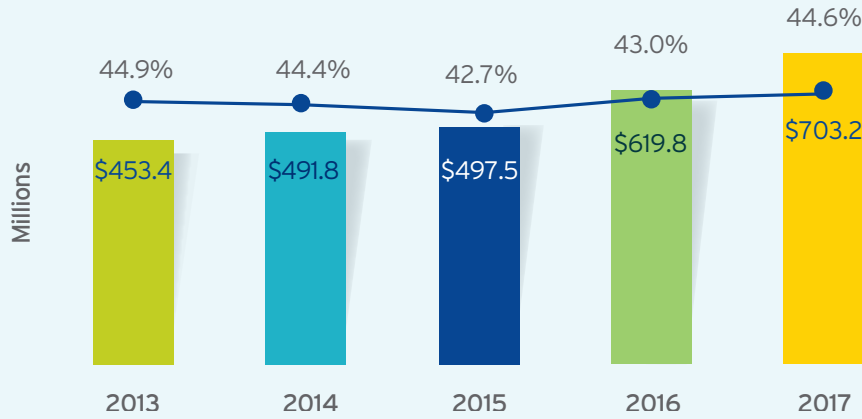


John Jenkins
VP Electric Engineering & Construction

"At SDG&E, a strong safety culture is embedded in the attitudes, beliefs and values of our employees and suppliers. Safety is a focused value for our company's foundation."

9.1.1 DESCRIPTION OF WMDVLGBTBE PROGRAM

2013-2017 SUPPLIER DIVERSITY SPENDING (\$ AND %)



Key spending and accomplishments contributing to 2017 supplier diversity success

Direct spending - increased more than \$34.7 million, from \$420.1 million to \$454.8 million, representing 28.8 percent in supplier diversity spending.

\$454.8
Million

Subcontracting - totaled more than \$248.3 million for both core business and capital projects, representing 15.7 percent in supplier diversity spending.

\$248.3
Million

Category highlights

Minority Business Enterprise (MBE)
Spending was \$392 million or nearly 24.9 percent.

\$392.0
Million

Women Business Enterprise (WBE)
Spending was \$229.3 million or 14.5 percent.

\$229.3
Million

Minority Women Business Enterprise (MWBE)
Spending was \$60.7 million or 3.8 percent.

\$60.7
Million

Service-Disabled Veteran Business Enterprise (DVBE)
Spending was \$76.2 million or 4.8 percent.

\$76.2
Million

INTERNAL ACTIVITIES

Executive Support - Supplier diversity is a priority at SDG&E. Our executives, directors and managers are fully committed to supplier diversity and diligently work to achieve the company's supplier diversity goals. Executives meet quarterly with the Supplier Diversity team and the management team actively promotes contract opportunities in strategic planning sessions.

SDG&E Supplier Diversity Champion and Ambassador Program - Since its formation in 2013, our Supplier Diversity Champions and Ambassadors have grown to over 150 members, representing a broad range of SDG&E departments. Our Ambassadors actively work with the Supplier Diversity team to identify opportunities to include diverse suppliers in contract bids. In addition, they mentor new diverse suppliers to ensure they are competitive and able to grow into prime roles.

Diversity & Inclusion Summit and Awards - The 2017 Sempra Energy Diversity & Inclusion Summit and Championing Diversity Award Luncheon recognized employees, diverse suppliers and guests. There were breakout sessions, keynote speakers and an awards ceremony. Employees were honored with awards for outstanding performance and a commitment to supplier and workplace diversity.

Category Management Transition - During this past year, Supply Management joined with Supplier Diversity to introduce a Category Management Transition. Category Management will provide more strategic planning and early engagement with our clients to identify opportunities for diverse suppliers to compete and win as primes and subcontractors.

Smaller Contractor Opportunity Realization Effort (SCORE) - 22 diverse suppliers participated in SCORE in 2017 with a total direct spend of \$28.5 million. SDG&E had a 220 percent increase in spending over last year largely because of ongoing efforts in coaching and mentoring the suppliers.

INTERNAL EVENTS

CIS/IT PMO Forum - The Forum was a joint effort between Southern California Gas Company (SoCalGas) and SDG&E to help onboard new IT suppliers, provide updated information about future IT projects and share insights about the CIS replacement project. Over 100 IT professionals, 50 diverse businesses, and 10 of our largest IT prime vendors participated.

National Diversity Coalition (NDC) - SDG&E and SoCalGas hosted an annual networking meeting with the NDC to discuss and identify potential diverse business opportunities in key spending areas including: process efficiency improvements, program audits, tax and management consulting. NDC members met with utility leaders and representatives from KPMG to discuss potential service needs and contract opportunities.

SDG&E Prime Supplier Leadership Roundtable - To maximize our strategic partnerships with primes, in 2017 SDG&E invited our top suppliers to engage in a roundtable discussion with SDG&E leadership. This enriched discussion led to process improvements and strengthened our partnerships.



Cory Mitsui, *SDG&E Supplier Diversity Ambassador*

Q: What should be the top priority of SDG&E's supplier diversity program?

A: There is significant investment and risk in time, effort, and cost for onboarding new suppliers. Additionally, some small suppliers with limited resources may not have the ability to scale at the level required by utilities. Because of this, SDG&E's top priority is to establish pilot programs and mentor diverse suppliers to help them build their confidence while building their capacity.



Lauren Lacy, *SDG&E Supplier Diversity Ambassador*

Q: What are some of the key metrics used to evaluate a supplier?

A: When looking at the total cost of ownership, added value is a key driver. Suppliers should bring superior quality, proven experience, competitive pricing, continuous improvement, and creative solutions to utility challenges. These added value characteristics can set a diverse supplier ahead of their competitors in the market.

INITIATIVES THAT ARE IMPACTING SUPPLIER DIVERSITY



Mike Kelsey *"Discovering suppliers that bring better value"*

Q: Supply Management is experiencing a change into Category Management. How does Category Management further support opportunities for new suppliers?

A: Category Management is an end-to-end process for buying goods and services with commodities grouped into specific categories. It aligns business goals and customer requirements with supply market capabilities to maximize long-term procurement value for our organization. One of the key steps is to engage the supply market early, creating new and innovative opportunities for suppliers.



Bruce Mayberry *"Developing a stronger partnership"*

Q: You recently hosted an IT supplier forum; what was the outcome from this cross-functional event?

A: The feedback received was amazing! SDG&E established an IT Forum to inform our diverse suppliers about upcoming CIS / IT procurement opportunities along with providing a forum to meet with our select prime suppliers. Over 100 stakeholders attended and were able to hear firsthand the SDG&E corporate plan to modernize its CIS / IT system.



Erica Beal *"Growing your market share"*

Q: This year SDG&E piloted Supplier Diversity Symposiums introducing pre-qualified suppliers to internal clients and stakeholders. What is the purpose of the Symposiums?

A: Symposiums allow pre-qualified suppliers the opportunity to share their capabilities in an interview forum directly with key decision makers. SDG&E promotes upcoming opportunities and identifies pilot contracts to guide and mentor firms. The desired outcome is to offer a new business opportunity to participate in a pilot contract, exceed expectations, grow market share within SDG&E and ultimately competitively bid and win as a prime supplier.



Sydney Furbush *"Sustaining a strong business model"*

Q: Supplier Diversity has introduced a new Technical Assistance program Best In Class (BIC). How does this program help current suppliers grow their business?

A: The BIC program was designed for well established companies that combines learning, networking and leadership development modeled after some of the most successful business leaders. Our goal is to remove the CEO from the day-to-day operations of their business to gain clarity and insight about the future direction of their company. As a result, many of these companies have secured prime roles within major capital projects and have restructured their operations to better align with utility requirements.

SUPPLIER DEVELOPMENT AND TECHNICAL ASSISTANCE

SDG&E continues to evaluate its technical assistance programs to ensure the training remains relevant to meet the needs of both our new and existing suppliers. The utility market continues to evolve which requires suppliers to adjust their service offerings to remain competitive and establish a sustainable business model.

Best In Class (BIC)

BIC was created in 2017 based on feedback from suppliers which identified unique requirements of established companies with revenues greater than \$5 million. As a result, SDG&E enhanced the technical assistance program by creating the BIC program to address this market segment. The program utilizes case studies of well-known businesses to guide company executives to plan strategically by analyzing current business trends.

Supplier Quick Pay Program (SQPP)

SQPP pays small businesses within 15 days, rather than the standard 45 days, which boosts their access to working capital. When these small businesses get paid faster they can manage their finances more effectively. In 2017, there were 55 suppliers enrolled in SQPP.



Gregory Gates, GDM, CEO www.gdminc.us

Q: You recently participated in the SDG&E technical assistance program; can you share with us some tangible results that your business has achieved?

A: One of the key takeaways from the training was the importance of incorporating new strategies for increasing profits and improving customer satisfaction. In 2018/2019, GDM has planned to implement these new strategies by developing new strategic alliances that will open new business opportunities.



Connie Bergmark, P.E., SDG&E Supplier Diversity Ambassador

Q: How did the SDG&E Champion and Ambassador Program change your perception?

A: I was enlightened about the opportunities that supplier diversity has provided to our diverse firms. I became aware of additional resources in supplier diversity that can help support my department. Through this program, I have been introduced to new suppliers who are currently supporting some of our capital projects.

2017 SUPPLIER DIVERSITY SUCCESS STORIES



Agile Sourcing

www.agilesourcingpartners.com

- Local Capital Infusion: CA taxes paid \$295,000
- Community Contributions: \$50k
- Jobs Retained: 200 employees

"Supplier diversity is not about entitlement, it is about earning a seat at the table."

- **María Thompson**, President/CEO



Icon Building Supplies

www.iconbuildingsupplies.com

- Sales Increased: \$6.2M
- Job Creation: 11 employees

"ICON offers increased value to our clients while creating opportunities for veterans."

- **Paul Loska**, President/CEO



Insignia Environmental

www.insigniaenv.com

- Job Creation: 25% increase from 2016 attributable to SDG&E work
- Sales increase: 71% revenue increase

"I have been fortunate to network at SDG&E's Best In Class technical assistance and experience synergies with some of the best utility leaders within the energy industry."

- **Anne Marie McGraw**, President/CEO



Patriot General

www.patriotgen.com

- Job Creation: 20
- Sales Increased: \$4M

"SDG&E champions diversity and provided Patriot opportunities to diversify our services."

- **Steve Garcia**, President/CEO



PRAVA Construction Services, Inc.

www.pravacsi.com

- Capital Infusion: \$28M
- Jobs Retained: 26

"SDG&E leadership, guidance and mentoring have played a significant role in our growth."

- **Glenn D. Torrez**, President/CEO



Quality General

www.qualityge.com

- Sales Increased: over \$1 Million
- Jobs Retained: 60

"As a supplier for SDG&E, we have the honor of extending opportunities to other minority suppliers within our local communities."

- **Marco A. Villalpando**, President/CEO



TSAC Engineering

www.tsacengineering.com

- Sales Increased: \$600,000
- Capital Investment: \$200,000

"TSAC has grown from two partners in 2012 to a \$7.5 million-dollar business today, employing 27 dedicated and highly qualified employees."

- **Karen McPartland**, President/CEO



WH Pacific

www.whpacific.com

- Job Creation: 20
- Capital Infusion: Equipment & Facilities \$1.2M
- SDG&E Contracts: \$11M

"I am strongly committed to the strength of our diverse team, providing service and integrity to everything we do."

- **Mike Stys**, VP of Operations

SUPPLIER & EMPLOYEE ENGAGEMENT AND FEEDBACK

In 2017, SDG&E hosted a Supplier Forum and quarterly Symposiums. The purpose of SDG&E's Supplier Forum and Symposiums was to focus on building value-driven partnerships.

Forum Highlights

Supplier Forum - This was created to engage with our top supplier base at SDG&E, explore strategies and discuss effective ways to help strengthen partnerships within the utility industry. A supplier survey was distributed to 45 of our top spend suppliers who comprise approximately 70 percent of our total spending. We had 75 attendees participate at the interactive forum. Two cross-functional panels of SDG&E Executives, Champions, Ambassadors, primes, and diverse businesses fostered a collaborative discussion focused on strengthening our supply chain. There were two panels, the first was to identify successful mentoring strategies that have helped diverse businesses grow and sustain in this fast-paced environment. The second was to share best practices and success stories that foster collaborative, sustainable relationships.



Kathryn Valdivia, *SDG&E Supplier Diversity Ambassador*

"I'm very pleased to be an ambassador between our suppliers and SDG&E. As one of the Electric Distribution Managers, I am seeking the expertise, commitment and dedication demonstrated by our diverse suppliers. I'm very grateful to participate at the supplier symposiums and for the chance to raise awareness of the good and productive work we can accomplish together."

Supplier Diversity Symposiums - The Supplier Diversity team has developed a new strategy to identify, prequalify and onboard new diverse suppliers within the supply chain process. In 2017, SDG&E orchestrated four symposiums that focused on the areas of: Program Management, Distribution Engineering, IT CIS and Construction Management. SDG&E stakeholders and Supply Management interviewed, evaluated and then prequalified new suppliers for small dollar contracts.



John Black, *SDG&E Supplier Diversity Champion*

"I feel extremely fortunate for the opportunity to lead and develop relationships for SDG&E with companies led by amazing individuals with such diverse backgrounds, often local, and especially those who have previously chosen to serve our country. These diverse businesses have built depth for our company, not only as suppliers, but through increasing unique perspectives and ideas as well."



Champion, Ambassador and Prime (CAP) Program

Every year Supplier Diversity identifies new change agents who have leadership qualities, positive attitudes and organizational knowledge. In 2017, Supplier Diversity expanded the Champion and Ambassador Program to incorporate the inclusion of prime suppliers to increase support in the areas of subcontracting.



Champions - help develop a supplier diversity strategy for their organization.



Ambassadors - help identify sourcing opportunities to incorporate diverse suppliers within their department's supply chain.



Primes - help identify disciplines for subcontracting opportunities and mentor diverse businesses.



Lori Liebman, *SDG&E Supplier Diversity Ambassador*

"I've gained an appreciation for the diverse suppliers who have been awarded business with SDG&E. I've had the opportunity to hear how these businesses have thrived because of our partnership. My advice for new potential suppliers is to look for innovative solutions to help SDG&E achieve our goals."



Steve Adams, *Prime Supplier, President, PAR Electrical Contractors, Inc. www.parelectric.com*

"I found excellent value in participating in the Supplier Forum as a panelist and sharing best practices and lessons learned as a prime within the California utility industry. I hope these types of events continue and I look forward to participating again next year."

IT Forum - This year SDG&E and SoCalGas joined efforts to host a CIS/IT PMO Forum. The purpose was to provide an overview of key projects and share upcoming projections for 2018. Our prime suppliers took a collaborative role-sharing experience in managing large IT projects and engaging with diverse suppliers.



Dawn Welch, *SDG&E Supplier Diversity Champion*

"The IT/CIS Forum was a great way to introduce our teams as well as our key vendor partners to new channels of talent in niche markets."



Joe Shoffner, *SDG&E Supplier Diversity Ambassador*

"Participating in the CIS Supplier Forum and other supply diversity forums provides a unique opportunity to engage directly with prospective diverse suppliers. My advice for any supplier is to understand SDG&E's unique challenges, particularly as they relate to information technology."

2017 Awards & Nominations

The National Veterans Opportunity Coalition

Partner Member of the Year

Veterans In Business

Plank Owner Award

Asian Business Association

CEO's Choice Award

Council for Supplier Diversity, San Diego

Outstanding Support for the Council Mission Award

Central San Diego Black Chamber of Commerce

Platinum Sponsorship Award

California Hispanic Chamber of Commerce

Appreciation Award

National Elite Disabled Veteran Business Enterprise Network

Leadership Award

Women's Business Enterprise Council - West, California Forum

Corporate Appreciation Award

National Association of Women Business Owners, San Diego

*Special Recognition of the Loyal and Dedicated Support of
NAWBO to Propel Women Entrepreneurs*

Women's Business Enterprise Council - West, California Forum

Corporate Influence and Impact

American Indian Chamber of Commerce of California

Thunderbird Award

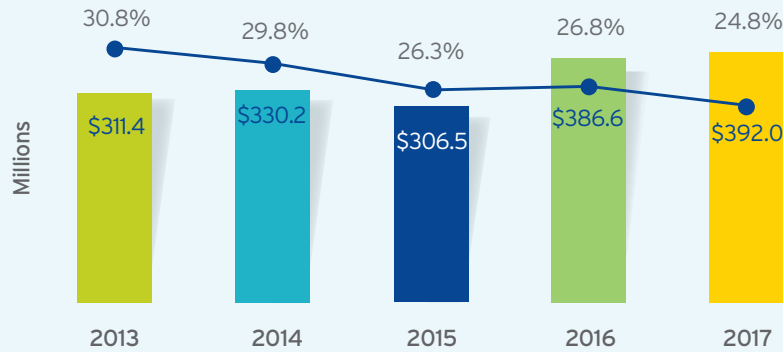


9.1.2 SUMMARY OF WMDVLGBTBE PURCHASES & CONTRACTS

Minority Business Enterprise (MBE) procurement

MBEs remain the largest segment of supplier diversity spending for SDG&E. In 2017, MBE spending exceeded \$392 million or 24.8 percent of our overall results. This represents a slight decrease of 2.0 percent over 2016's MBE results of 26.8 percent. Our spending with Hispanic American suppliers increased by \$15.9 million over 2016.

MBE-SDG&E 2013 TO 2017 (\$ AND %)



Lucy M. Labruzzo, Cordoba Corporation, Sr. VP, Energy Infrastructure www.cordobacorp.com

Q: As one of our growing diverse suppliers, what benefits have you experienced from participating in the various SDG&E supplier diversity programs?

A: The SDG&E Supplier Diversity programs have not only resulted in significant growth for our firm but have allowed us to further our mission of making a difference in the communities where we live and work. We have expanded our local offices, significantly increased our local hiring and have partnered with SDG&E in benefiting local philanthropic causes. Ultimately these programs not only strengthen our firm but also bring significant benefits to the local communities!



Willie Thomas, SDG&E Supplier Diversity Ambassador

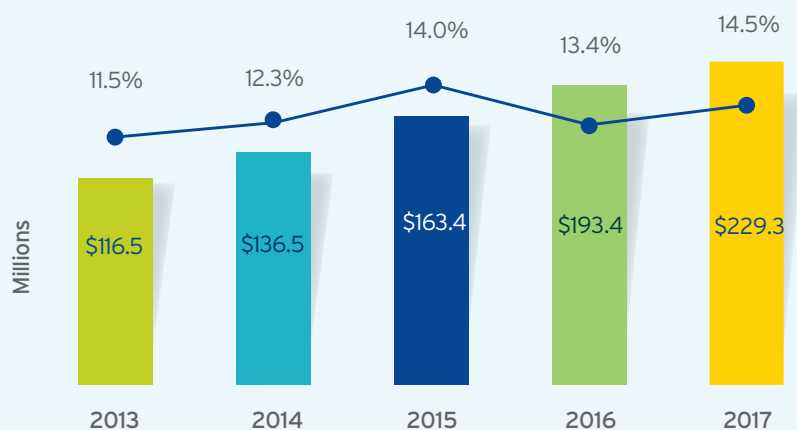
Q: As a relatively new SDG&E Ambassador, what observations and outcomes have you experienced working with new diverse suppliers?

A: Diverse suppliers have a strong local presence and a commitment to getting the work done on-time, on-budget and to the satisfaction of SDG&E. Some have been smaller in size and breadth of services; however, this allows them to be nimble and attentive to schedules and customer relationships. And many times, I have been impressed by their ability to adapt and find the right talent for a given need in a timely fashion. They have also been able to work with the array of other contractors and SDG&E staff to help us meet our goals.

Women Business Enterprise (WBE) procurement

In 2017, spending with WBEs increased to \$229.3 million, or 14.5 percent. This is the seventh consecutive year our spending with WBEs has exceeded \$100 million, and the 12th consecutive year we have exceeded the CPUC goal of 5 percent. Increased subcontracting contributed to WBE results attaining the highest spending percentage to date.

WBE-SDG&E 2013 TO 2017 (\$ AND %)



Leanne Peterson, *President & CEO, Southland Electric, Inc.* www.SouthlandElectricInc.com

"Trust is the foundation of our business which has allowed us to serve our customers for the past 40 years."

Q: How did you leverage the Supplier Diversity program?

A: SDG&E's Supplier Diversity program has provided our company with some great networking opportunities! We've been very fortunate to engage in new partnerships which have increased our ability to stay competitive and challenged us to seek innovative opportunities in this ever-evolving industry.



Alexandria Moffat, *SDG&E Supplier Diversity Champion*

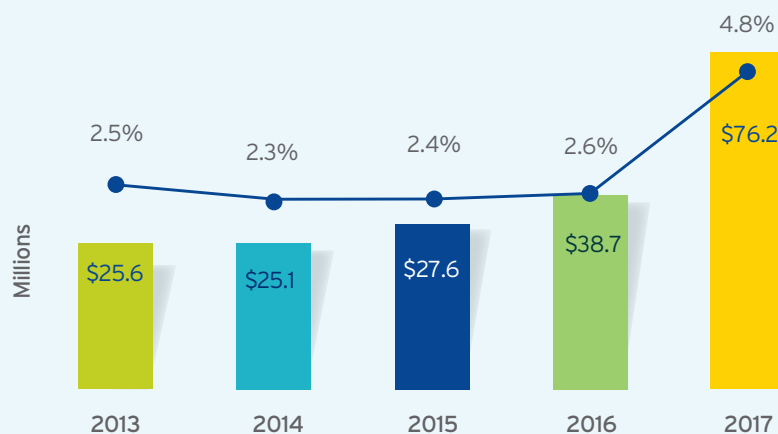
Q: You bring a vast level of experience working in Supply Management and on major capital projects. What lessons have you learned in your current role that support supplier diversity?

A: Some of our strongest and best performing supplier partnerships have developed as a result of our supplier diversity programs, whether as new sources of supply providing direct services to SDG&E, or as subcontractors to our prime suppliers. Those partnerships are key to making our projects a success and to completing the work safely, on-time and on-budget. Over the years, I've seen programs like SCORE, the CAP program and our Supplier Symposiums bring opportunities to introduce new suppliers to our respective business units.

Service-Disabled Veteran Business Enterprise (DVBE) procurement

SDG&E tripled the CPUC DVBE spending goal of 1.5 percent, with over 4.8 percent, or \$76.2 million, in 2017 DVBE spending. 2017 marks the ninth consecutive year in which SDG&E has exceeded the 1.5 percent goal. SDG&E continues to focus efforts on incorporating DVBEs in our core business spending as well as emerging projects. DVBE spending increased primarily due to increased participation in SDG&E's capital projects. Project-related spending in the areas of electrical services, warehousing and storage, and HVAC supplies contributed to an increase of \$37.5 million over 2016's results.

DVBE-SDG&E 2013 TO 2017 (\$ AND %)



Mike Pagano, Founder and President, VetSource Inc. www.VetSourceInc.com

Q: As one of our growing diverse suppliers, what benefits and value have you experienced from participating in various supplier diversity mentoring programs?

A: The Technical Assistance Programs such as SCORE, Best in Class and various supplier diversity events provided me with the tools necessary to take the next step towards becoming a prime contractor. The supplier diversity mentoring program has also helped facilitate introductions to SDG&E internal clients like the Construction Services Director and organization. Construction Services gave VetSource the opportunity to become one of their prime contractors in both trenching and conduit jobs. We started off working on the electric side; however, SDG&E mentoring programs have allowed us to grow and work on both gas and electric business. As a result of these programs, Vetsource has tripled in size in a very short period of time.



Janisse Quiñones, SDG&E Supplier Diversity Champion

"Be open and fair to new opportunities and don't forget to execute."

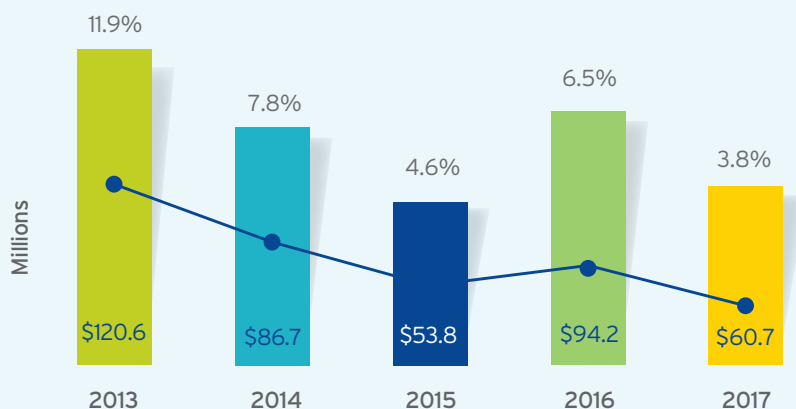
Q: How did the SDG&E Supplier Diversity Champion, Ambassador and Prime program change your perspective?

A: As a Supplier Diversity Champion, this program has reinforced my belief in the positive impacts diverse businesses have on our company. These companies bring experience and knowledge that is invaluable for our daily operations and new ventures. The diversity programs allow me, as a business unit owner, the exposure to new talent and technologies that are constantly evolving outside of the utility framework.

Minority Women Business Enterprise (MWBE) procurement

Spending with MWBEs was \$60.7 million in 2017. We remain committed to providing opportunities for minority women owned firms and will continue to focus on identifying new MWBE suppliers as well as providing growth opportunities to current MWBEs.

MINORITY WOMEN-SDG&E 2013 TO 2017 (\$ AND %)



Kate Khavari, *President, ASEC Engineering* www.asec-engineers.com

"Continuous education and training of our engineers and others in the industry has been, and will continue to be, the key element of ASEC's success."

Q: What are some of the key factors in partnering with primes that has helped you continually grow?

A: Working with primes such as Burns & McDonnell and POWER Engineers has given ASEC exposure to new opportunities on various SDG&E projects and has helped ensure the highest level of quality. Working and collaborating with other subcontractors on projects has helped us have a better understanding of SDG&E's needs and new opportunities in ASEC's future growth.



Lynette D. Aquino, *SDG&E Supplier Diversity Ambassador*

"Diversity creates dimension in business, life, and the world."

Q: Can you provide some insight on how you work with prime suppliers to help them meet their subcontracting supplier diversity commitments?

A: By working together with the prime suppliers we are able to encourage them to mentor qualified diverse businesses. As a pilot, we identified several diverse firms to train them on our internal processes and procedures. The diverse firms work hands-on with the SDG&E engineers/designers. This collaborative approach, working with our primes and diverse suppliers, has fostered a strong mentoring environment that allows our diverse suppliers to thrive. Together we all succeed.

Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE) procurement

SDG&E spent more than \$5.6 million or 0.36 percent with LGBTBE businesses in 2017. This is an increase of more than 295% from the initial year of LGBTBE reporting. As part of our outreach efforts, we participated in the NGLCC's conference and southern California networking and matchmaking events.



Joe Maak, Chief Executive Officer, Pride Resource Partners LLC www.prideresourcepartners.com

Q: In a short period of time, you have excelled as a SDG&E diverse supplier. Can you share with us some of the challenges you experienced in growing your business?

A: SDG&E was instrumental in helping us grow our company in the last two years, and we are very thankful for all the advice and help. One of the challenges as we grew is that we realized that human resource compliance must be a major area of focus. For this reason, we had to hire several outside human resource consultants and law firms to help us navigate the maze of regulations.

DESCRIPTION OF WMDVLGBTBE WITH CA MAJORITY WORKFORCE

SDG&E is unable to provide this data as the Supplier Clearinghouse does not collect this information.

9.1.3 ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES

Expenses for the 2017 Supplier Diversity program include items such as collateral development, networking events, technical assistance, capacity building, CPUC Supplier Clearinghouse payments, office support services and other program expenses.

Expenses Category	Cost (In thousands)
Wages	\$515
Program Expense	\$319
Consultants	\$49
Total	\$883

9.1.4 SDG&E EXCEEDS ALL WMDVLGBTBE CATEGORY GOALS SET BY THE CPUC

Through carefully managed programs and the full support of management, SDG&E continues to exceed CPUC spending goals in nearly every category.

Category	2017 Results	2017 Goals
Minority Men	21.00%	0.00%
Minority Women	3.85%	0.00%
Minority Business Enterprise (MBE)	24.85%	15.00%
Women Business Enterprise (WBE)	14.53%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.36%	TBD
Other 8(a)	0.00%	TBD
Service-Disabled Veteran Business Enterprises (DVBE)	4.83%	1.50%
Total WMDVLGBTBE	44.57%	21.50%

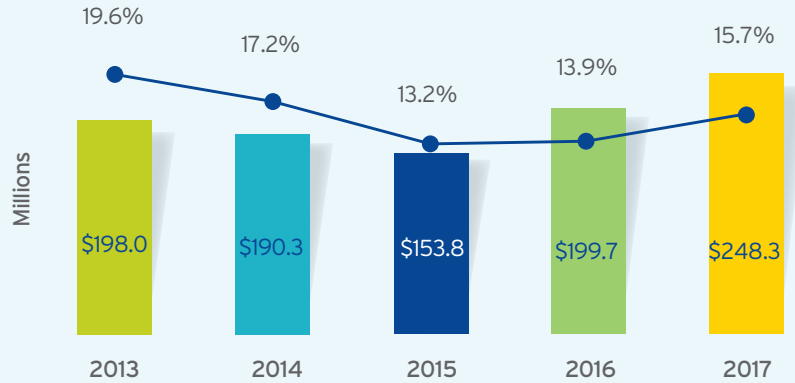
% - PERCENTAGE OF NET PROCUREMENT

9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVLGBTBE SUBCONTRACTORS

Supplier diversity subcontracting - SDG&E 2013 to 2017

We continue to see in an increase in subcontracting opportunities to our diverse suppliers. In 2017, \$248.3 million or 15.7 percent in supplier diversity spending was primarily attributable to increased subcontracting with Hispanic American and Service-Disabled Veteran businesses.

SUBCONTRACTING-SDG&E 2013 TO 2017 (\$ AND %)



	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)*	Total WMDVLGBTBE
Direct \$	\$ 245,546,021	\$ 28,028,806	\$ 273,574,827	\$ 146,495,355	\$ 4,104,473	\$ 30,659,691	\$ -	\$ 454,834,346
Subcontracting \$	\$ 85,739,055	\$ 32,709,220	\$ 118,448,275	\$ 82,791,295	\$ 1,528,349	\$ 45,566,996	\$ -	\$ 248,334,915
Total \$	\$ 331,285,076	\$ 60,738,026	\$ 392,023,102	\$ 229,286,650	\$ 5,632,822	\$ 76,226,687	\$ -	\$ 703,169,261
Direct %	15.56%	1.78%	17.34%	9.28%	0.26%	1.94%	0.00%	28.83%
Subcontracting %	5.43%	2.07%	7.51%	5.25%	0.10%	2.89%	0.00%	15.74%
Total %	21.00%	3.85%	24.85%	14.53%	0.36%	4.83%	0.00%	44.57%

Net Procurement** \$ 1,577,787,785

* 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



A. Maurice Ortega, *President, A.M. Ortega Construction, Inc. www.amortega.com*

Q: You have been a long-term partner with SDG&E for many years. What advice would you provide to other new diverse businesses who are entering the competitive market in electric construction?

A: Having an excellent safety culture within your organization is key to doing business in the utility industry. There has always been a strong emphasis on maintaining a safe work environment for your employees and the public. My advice is to build a strong safety culture and foster a team that embraces quality. My last comment is to diversify your company as you grow and broaden your horizons into different work streams that match up with your company's core values.



Jake O'Dell, *SDG&E Supplier Diversity Ambassador*

Q: What challenges may diverse suppliers face in doing business with SDG&E?

A: The biggest challenge diverse suppliers face in doing business with SDG&E is winning their first contract. SDG&E has a robust supply base and it can be tough for a new supplier to get their foot in the door. Diverse businesses can overcome this challenge by being proactive and delivering creative, innovative solutions that set them apart from other suppliers.





Bryan Clementson, SDG&E Supplier Diversity Ambassador

"I am thankful for being able to participate in the Program Management Supplier Diversity Symposium, supporting Gas Operations. Access to these diverse suppliers provides an opportunity to understand their capabilities and develop a stronger working relationship. This unique approach is refreshing and provides a streamlined approach to developing new partnerships. I have no doubt that a strong alliance with these partners will be formed."



Alan Colton, SDG&E Supplier Diversity Champion

"I have enjoyed the opportunity to be a Supplier Diversity Champion as I have been able to broaden my support for diverse businesses as they seek to work with SDG&E. The Supplier Diversity team has established a strong program of partnering with many businesses as they mentor and coach them on how to strengthen their business and relationship acumen. It is very rewarding to see these companies grow and thrive in their work efforts supporting SDG&E and other companies within the industry."



Patrick Webb, SDG&E Supplier Diversity Ambassador

"Supply Management has been very successful in teaming with our internal stakeholders and Supplier Diversity to identify and communicate upcoming contract opportunities. Our focus has been on establishing clear expectations, providing strong communication, and being willing to help our suppliers. In addition, continuous feedback and coaching are instrumental in helping suppliers improve their performance and equip diverse businesses with tools to effectively win contracts."

9.1.6 LIST OF WMDVLGBTBE COMPLAINTS

There were no formal complaints filed against SDG&E with the CPUC or lawsuits filed in 2017 in relation to SDG&E's Supplier Diversity program.

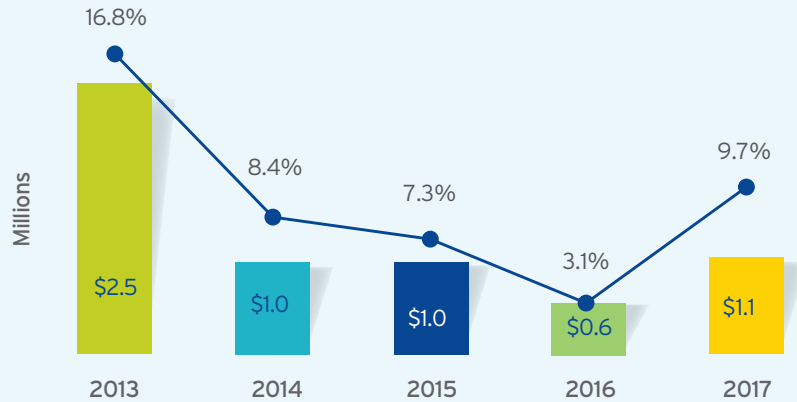
9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

The General Order 156 Ruling issued on November 14, 2003 ended exclusions, resulting in specific categories no longer being deducted from the fundamental procurement amount.

9.1.8 DESCRIPTION OF EFFORTS IN UNDERUTILIZED AREAS

SDG&E continues to focus on increasing the number of diverse suppliers as well as the spend in low utilization categories. In the financial services area, \$1.1 million was spent with diverse firms in 2017, or 9.7 percent. In legal services area, \$1.2 million was spent with diverse firms, or 13.2 percent.

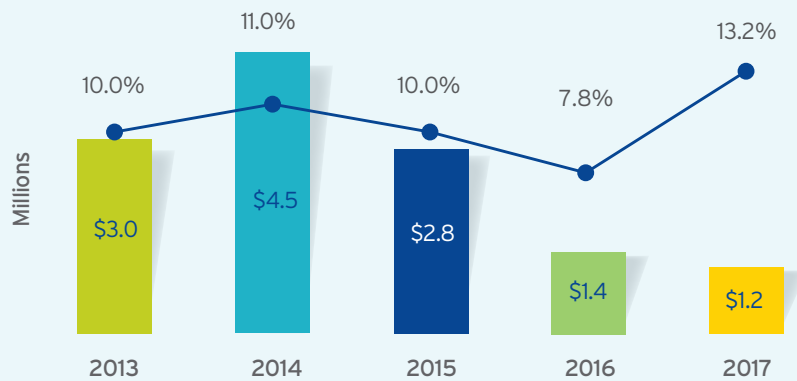
FINANCE - SDG&E 2013 TO 2017 (\$ AND %)



FINANCIAL SERVICES

The financial services community remains an important part of SDG&E's outreach efforts. Our executives and stakeholders are aware of the importance of penetrating this service sector and are assisting in actively seeking out qualified diverse suppliers for specific financial reviews and audits. Our executives, directors and managers continue to participate in numerous financial networking events designed to give exposure to diverse suppliers.

LEGAL - SDG&E 2013 TO 2017 (\$ AND %)



LEGAL SERVICES

SDG&E recognizes the importance of working with diverse legal firms to increase spending. In 2017, spending with diverse law firms was \$1.2 million, representing 13.2 percent.

SDG&E's Supplier Diversity team works closely with the Supplier Diversity Ambassador from Legal Services to identify qualified diverse firms in the areas of general law, securities, real estate, intellectual property, workers' compensation, venture capital projects, employment law, and asset recovery.

SDG&E also sees the value in promoting utilization of diverse attorneys and paralegals at non-diverse firms. In 2017, SDG&E spent \$3.4 million with minority and female attorneys and nearly \$100,000 with diverse paralegal firms.

2017 SDG&E Legal Spend: Diverse Attorney Work Within Non-DBE Legal Firms Attorney Time Billed in 2017		Total*	2017 SDG&E Legal Spend: Diverse Paralegal Work Within Non-DBE Legal Firms Paralegal Time Billed in 2017		Total*
Minority Men	African American	\$19,111	Minority Men	African American	\$0
	Asian Pacific American	\$85,629		Asian Pacific American	\$0
	Hispanic American	\$700		Hispanic American	\$21,728
	Native American	\$0		Native American	\$0
	Other	\$958,431		Other	\$0
	Total Minority Men	\$1,063,871		Total Minority Men	\$21,728
Minority Women	African American	\$255,819	Minority Women	African American	\$0
	Asian Pacific American	\$68,936		Asian Pacific American	\$5,488
	Hispanic American	\$3,079		Hispanic American	\$1,032
	Native American	\$0		Native American	\$0
	Other	\$13,283		Other	\$558
	Total Minority Women	\$311,117		Total Minority Women	\$7,077
Total Minority Business Enterprise (MBE)		\$1,374,987	Total Minority Business Enterprise (MBE)		\$28,805
Women Business Enterprise (WBE)		\$2,062,469	Women Business Enterprise (WBE)		\$67,410
Service Disabled Veteran Business Enterprise (DVBE)		\$0	Service Disabled Veteran Business Enterprise (DVBE)		\$0
Lesbian, Gay Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	Lesbian, Gay Bisexual, Transgender Business Enterprise (LGBTBE)		\$0
Non-DBE		\$3,939,154	Non-DBE		\$65,771
Grand Total: All DBE/Non-DBE		\$7,376,610	Grand Total: All DBE/Non-DBE		\$161,986

*Note: Figures are estimated.

*Note: Figures are estimated.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E preserves all documents and data related to its Supplier Diversity annual report for (a) three years or (b) the timeframe that is in compliance with SDG&E's internal document retention policy, whichever comes later. SDG&E will provide these documents and data to the CPUC upon request.

9.1.10 SUMMARY OF PURCHASES IN PRODUCT AND SERVICE IN ADDITIONAL CATEGORIES

Per General Order 156, this section reports the summary of purchases in product and service categories that include renewable and non-renewable energy, wireless communications, broadband, smart grid and rail projects, in addition to current reporting categories. For our renewable energy-related projects, we have outlined some of our accomplishments below.

- SDG&E continues to outperform California's renewable standards requirements. In fact, in 2017, around 45 percent of the energy delivered to our customers came from renewable energy-related projects.

ELECTRIC PROGRAM INVESTMENT CHART (EPIC)

EPIC was previously established by the CPUC in D.11-12-035 to provide public interest investments in applied research and development, technology demonstration and deployment, market support, and market facilitation of clean energy technologies and approaches for the benefit of ratepayers of California investor-owned utilities (IOUs). D.12-05-037 established the purposes and governance structure for EPIC and D.13-11-025 clarified many of the program's regulatory requirements.

EPIC is designed to provide funding for electric utility research, development, and demonstration (RD&D). Specific funding allotments are made to four EPIC program administrators, including SDG&E. The EPIC program is intended to run until 2020 and is comprised of three triennial program cycles (i.e., EPIC-1, EPIC-2, EPIC-3).

In compliance with GO 156 requirements, we are incorporating by reference "SDG&E 2017 EPIC Annual Report", which was submitted to the CPUC February 28, 2018. This report provides detailed information about SDG&E's EPIC plans, projects and spend.

2018 Supplier Diversity Annual Plan

10.1.1 GOALS

SDG&E is committed to a 40 percent supplier diversity spending goal. To achieve this goal, we will focus on helping our diverse suppliers build a sustainable business model.

- Achieve 40 percent in spending with diverse suppliers.
- Expand our existing Champions, Ambassadors, and Primes (CAP) program to help advance the supplier diversity programs.
- Offer a comprehensive set of payment options to improve cash flow.

Discover: "Discovering New Suppliers"

"I have been committed to, and passionate about building the right team of seasoned professionals who have deep knowledge and experience in the utility sector; enabling Bridgewater to build our reputation by providing our clients with top quality and responsive services."



Mark Montgomery, Bridgewater Consulting Group, www.bridgewecg.com

Q: As a new supplier in 2017, how did Supplier Diversity help you gain new contracts at SDG&E?

A: The new Supplier Symposiums organized by the Supplier Diversity team have resulted in effective networking with SDG&E leaders across the company. We've made connections with key prime suppliers and have had multiple opportunities to showcase our services and utility experience with various organizations at SDG&E.

Develop: "Developing a Strong Foundation"

"SDG&E's high standard of excellence is the stimulant to Parkia's aspiration in offering continuous innovative solutions built around safety, quality, and cost-effective services."



Dion Emamin, Parkia Inc., www.parkiainc.com

Q: You participated in a variety of programs offered by SDG&E: technical assistance, Symposiums, and match-making with primes; what are some of the results from participating in these opportunities?

A: Some of the results include: Parkia became an SDG&E approved supplier; we competed and were awarded an engineering pilot project and we are partnering with other diverse firms for future opportunities.

Grow: "Growing your Business"

"Level the playing field; parity in business is not a goal - it's a requirement."



Marco Compos, Campos EPC, www.camposepc.com

Q: You demonstrated great success with the PSEP project and were able to leverage connections at SoCalGas. How have these efforts helped you grow at SDG&E?

A: Campos EPC was able to build meaningful relationships and gain a comprehensive understanding of SoCalGas business processes during our tenure for PSEP. Leveraging that, along with our extensive work with other California utilities, has allowed us to immediately step into SDG&E and provide value, quality and efficiency with a limited learning curve.

Sustain: "Sustaining for the Future"

"We are deeply honored to support SDG&E as a leader in the industry with an aligned mission for diverse supplier partnerships and a focus on local community development."



Kevin Osceola, Osceola Consulting LLC, www.OsceolaC.com

Q: You have successfully worked at both Sempra Energy utilities and won contracts over the past nine years. Now, as one of our prime suppliers, how has your firm impacted the local community?

A: As a prime supplier we are fortunate to be able to give back to the underserved community through providing jobs, career development opportunities, scholarships and contributions. This also includes partnering, and mentoring/apprentice programs which we hope will set an example for other suppliers to follow.

Diverse supplier annual short-, mid-, and long-term goals by product and service categories by percentage of spending

The SDG&E supplier diversity goal is to exceed the requirements of General Order 156, in our short-, mid-, and long-term goals. Since the makeup of our diverse suppliers is ever changing, we have not established specific goals within each sub-category.

San Diego Gas & Electric					2017					G.O. #156 Sec. 10.1.1					
WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category															
	Short-Term (2018)					Mid-Term (2020)					Long-Term (2021)				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVB E)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVB E)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVB E)	TOTAL WMDVLGBTBE
PRODUCTS	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%
	Short-Term (2018)					Mid-Term (2020)					Long-Term (2021)				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVB E)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVB E)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVB E)	TOTAL WMDVLGBTBE
SERVICES	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%
TOTAL	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%



Michael Smith, SDG&E Supplier Diversity Ambassador

"As a veteran and active reservist, I am proud to see overwhelming support from our company in providing opportunities for service-disabled veterans. This year, we have seen a significant increase in spending to our nation's best leaders that have served in the military. It is exciting to see these veterans make a transition to the civilian sector and utilize their skills as they help us build the cleanest, safest and most reliable utility company."



Brandon Pate, SDG&E Supplier Diversity Ambassador

"SDG&E's Supplier Diversity team has made great strides in screening and matching capable diverse businesses with opportunities among SDG&E's various operational departments. The quality of the Supplier Diversity Symposium is indicative of the preparation and hard work the Supplier Diversity team put into it. A prospective diverse business would do well to recognize the effectiveness of the Symposium and patiently pursue opportunities with focused expertise, rather than casting a wide net."

10.1.2 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES

INTERNAL

SDG&E will review and augment the internal activities detailed in Section 9.1.1 of this report to build upon the success of our program, with continued focus on working capital accessibility. We are identifying strategies to increase diverse supplier participation for each portfolio, major project and department.

EXTERNAL

SDG&E will continue to build upon the successful external strategies described in Section 9.1.1 of this report. The SCORE program continues to be successful at developing new diverse suppliers and we will continue to offer additional opportunities to our SCORE suppliers. The success of SDG&E's technical assistance program will continue in 2018 through the efforts of our staff and community partners.

10.1.3 PLANS FOR RECRUITING WMDVLGBTBE WHERE WMDVLGBTBE UTILIZATION HAS BEEN LOW

In legal and financial services, we plan to continue our outreach and mentoring activities with the goal of engaging our legal and financial teams early in the process to promote inclusion.

10.1.4 PLANS FOR RECRUITING WMDVLGBTBE IN ANY EXCLUDED CATEGORY

SDG&E has eliminated all excludable items in compliance with General Order 156.

10.1.5 SUBCONTRACTING ACTIVITIES

Expanding on our past success of having prime contractors engage diverse subcontractors, we will continue to enhance activities outlined in Section 9.1.5 of this report. We will continue to improve upon processes for tracking and comparing subcontracting commitments to actual prime contractor subcontracting spending.

SDG&E assigns a supplier diversity professional to every major prime contractor with a subcontracting commitment. These efforts enable the Supplier Diversity team to better manage the prime contractors' performance and identify opportunities for continuous improvements.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.



2017 Supplier Diversity
Power procurement annual report

POWER Procurement

S DG&E continues to lead the procurement of electric and fuel resources with diverse suppliers, spending over \$61 million or 19.3 percent in electric and gas purchases.

In addition, SDG&E was the first utility to achieve California's renewables goal of 33 percent five years ahead of target. In 2017, around 45 percent of the energy delivered to our customers came from renewable energy-related projects. We procured over \$55 million or 28 percent of our natural gas purchases with diverse suppliers.

Technical assistance, mentoring and program development are cornerstones of our success. To help increase diverse suppliers participation in electric and fuel procurement, we will continue to utilize one-on-one mentoring, cultivate relationships between prime contractors and diverse suppliers, and provide diverse suppliers greater access to the Western Systems Power Pool (WSPP).



Emily Shults, VP Energy Supply

"The future belongs to those who believe in the beauty of their dreams." Eleanor Roosevelt

Q: What best practices have you learned for encouraging supplier diversity during your time in the energy industry?

A: Good relationships are the key to successful business partnerships. Suppliers benefit from personally connecting with utility decision makers and understanding our vision and requirements to achieve our goals. I believe that networking and building trust-based relationships is the cornerstone to promoting supplier diversity.

9.1.1 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES

INTERNAL ACTIVITIES

Executive Support and Supplier Diversity Commitment

Our Supplier Diversity team works closely with the Electric and Fuel Procurement team to achieve and surpass their supplier diversity procurement goals. We collaborate to find new ways to enhance the supplier diversity program and expand the diverse supplier pool.

Under the leadership of Emily Shults, Vice President - Energy Supply, we meet quarterly to analyze upcoming procurement needs and discuss inclusion opportunities for diverse suppliers.

Champions and Ambassadors

SDG&E Champions and Ambassadors are a tremendous asset to our initiatives. They work closely with the Supplier Diversity team promoting creativity, developing strategic proposals and participating in matchmaking events. This year, we developed a new Champion for Electric and Fuel Procurement who helped foster a new diverse perspective in the organization.



Kendall Helm, *SDG&E Supplier Diversity Ambassador*

"Any company seeking to out-innovate and out-perform must have both inherent and acquired diversity."

Q: Power Procurement is experiencing significant changes. How can diverse businesses navigate the changes in Power Procurement?

A: Changes in Power Procurement today are largely policy driven. When suppliers can use new tools and solutions to bridge the different policy interests of different stakeholders, a foundation for market growth can be established. Diverse businesses are often inherently advantaged to think outside the box and can be successful if they foster the stakeholder relationships necessary to really understand the mix of policy interests, constraints, and opportunities.

EXTERNAL/OUTREACH ACTIVITIES

Commission Briefings

Throughout the year, SDG&E, along with Pacific Gas & Electric and Southern California Edison, met with the CPUC to discuss challenges and advances within power procurement from a supplier diversity perspective. The joint meetings were successful and included discussions on ways to incorporate strategies to help diverse businesses develop in this complex commodity.

2017 Pre-bidder's Workshops

SDG&E hosted pre-bidder's workshops and conference calls throughout the year to clarify the requirements for participation in Requests for Offers (RFOs). We continue to provide extensive background information and presentations on resource eligibility, project capacity, location/site control, interconnection, deliverability studies, PPA terms and evaluation criteria. The feedback we have received from diverse suppliers has been very positive.

Mentoring

Our mentoring efforts continue to be very important in the power procurement commodity and we believe they are essential for the success of our diverse suppliers. In 2018, the need for access to capital will continue to be a major challenge for many diverse suppliers. We plan to coordinate with financial institutions and to provide technical assistance programs to help diverse suppliers strengthen their readiness and ability to achieve additional sources of capital.

9.1.2 SUMMARY OF WMDVLGBTBE PURCHASES AND/OR CONTRACTS

Natural gas

SDG&E remains committed to creating opportunities for diverse natural gas suppliers and we are proud to report that our purchases from diverse natural gas suppliers were over \$55 million.

Goal Progress

SDG&E reported a successful 19.6 percent supplier diversity spending in energy products for 2017. In procuring natural gas for our electric generation plants, SDG&E purchased over \$55 million, or 28 percent, of all our natural gas from diverse suppliers in 2017.

Subcontractors - PRE-Commercial Development (COD)

SDG&E encourages partnering and teaming arrangements between developers and diverse suppliers. In 2017, nearly \$7.4 million was spent with diverse suppliers during pre-commercial development and construction phases. The pre-commercial development (COD) spending cannot be counted toward General Order 156 requirements. SDG&E will continue to identify significant opportunities for diverse supplier participation for subcontracting spending in electric power plant construction.



Steve Taylor, *SDG&E Supplier Diversity Champion*

“Success is not the absence of problems, but the ability to deal with them.”

Q: As the utility industry continues to change, how do you foresee electric and fuel procurement supporting supplier diversity?

A: If you believe in the old adages that “change is the only constant” and “success occurs when opportunity meets preparation,” changes in power procurement occurring today will provide a multitude of future opportunities. We value and support diversity because it creates a variety of approaches to solving problems and enhances business prospects. Procurement will continue to engage, educate and mentor diverse businesses. In turn, diverse businesses must continue to foster relationships with industry participants including utilities, regulators, and legislators to understand these changes and be ready to seize upon the opportunities that result.

9.1.3 ITEMIZATION OF WMDVLGBTBE EXPENSES

Program expenses are included in Section 9.1.3 in the 2017 Supplier Diversity Products and Services Section.

9.1.4 GOAL PROGRESS

In procuring natural gas for our electric generation plants, SDG&E purchased over \$55 million, or 28 percent, of all our natural gas from diverse suppliers in 2017. Overall, SDG&E achieved spend of 19.3 percent or over \$61 million for power procurement.

9.1.5 SUBCONTRACTORS

SDG&E encourages partnering and teaming arrangements between developers and diverse suppliers. In 2017, nearly \$7.4 million was spent with diverse suppliers during pre-commercial development and construction phases. The pre-commercial development spending cannot be counted towards General Order 156 requirements. SDG&E will continue to identify significant opportunities for diverse suppliers for subcontracting spending in electric power plant construction.

9.1.6 COMPLAINTS

There were no formal complaints filed in 2017.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

Per the CPUC's decision to end excludable categories for gas procurement, SDG&E no longer reduces the procurement base with Canadian and offshore volumes.

For electric procurement, purchases excluded from reporting are: physical or financial purchase transactions with the California Independent System Operator (CAISO), other investor-owned utilities, utilities, federal entities, state entities, municipalities and cooperatives.

9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

The electric commodity market is an underutilized area for diverse supplier participation; through SDG&E's efforts outlined in Section 9.1.1, we continue to inform and educate diverse suppliers about potential opportunities.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E will comply with all regulations.

9.1.10(A) PARTICIPATION RESULTS BY FUEL CATEGORY

Please see chart in Appendix G for the summary of results by fuel category.

9.1.10(B) MARKET CONDITIONS AND OUTREACH

SDG&E's obligation to procure least cost, best-fit electricity from suppliers and to manage risk exposure by finding and vetting suppliers who meet SDG&E's credit requirements presents very specific challenges in power procurement. It is often difficult for diverse suppliers with limited access to credit to mount a plausible case for their proposals against large electric generators financed by investment firms or commercial banks. SDG&E continues to work with individual diverse suppliers on credit requirements and access to credit strategies in order to foster their participation in the electricity market.

SDG&E and other utility buyers use a specialized credit instrument, the Funds Transfer Agency Agreement (FTAA), to assist small suppliers in short-term procurement opportunities. The FTAA facilitates entry into a capital-intensive portion of our power procurement process for diverse suppliers without having to utilize their available lines of credit.

2017 Supplier Diversity Power Procurement Annual Plan

10.1.1 GOALS

Category	2016-2019 Goals
Minority Owned (MBE)	15.0%
Women Owned (WBE)	5.0%
Service-Disabled Veteran (SDVBE)	1.5%
Total	21.5%

10.1.2 DESCRIPTIONS OF WMDVLGBTBE PROGRAM ACTIVITIES

In 2018, SDG&E plans to continue its successful program for including diverse suppliers in gas procurement and the electric commodity market as outlined in Section 9.1.1.

AREAS OF FOCUS FOR 2018

Mentoring

In 2018, Power Procurement will continue our very successful mentoring efforts for diverse suppliers and expand our online workshops. These workshops will continue to share insight needed into requirements for upcoming RFOs.

Training

SDG&E will continue to help diverse suppliers develop their potential through participation in our technical assistance programs that offer specific, related training to overcome the barriers identified such as access to capital and financial acumen. Through this training they will learn the steps to qualifying for access to the levels of capital required to compete for our sizable contracts.

Subcontracting

SDG&E strongly supports the incorporation of diverse suppliers into our developers' strategies through subcontracting opportunities. We have made it a priority to track the progress of both new diverse suppliers we have introduced to our developers and the developers' sub-contracting efforts for pre-COD opportunities.

Collaborating

SDG&E will continue to develop programs specifically to address the unique challenges of participation in the power commodity. Our participation in joint utility meetings to discuss strategies, exchange best practices and lessons learned will enable a broader base of diverse suppliers in our power supply chain.

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN UNDERUTILIZED AREAS

Refer to Sections 9.1.10(B) and 10.1.2 of this report for analysis and corresponding planned activities to recruit diverse suppliers in all of the areas considered underutilized.

10.1.4 PLANS FOR RECRUITING WMDVLGBTBES IN ANY EXCLUDED CATEGORY

Due to the nature of the excluded categories mentioned in Section 9.1.7, SDG&E will not plan any specific activities for these excluded categories.

10.1.5 SUBCONTRACTING ACTIVITIES

SDG&E will work together with other market participants to help expand the interpretation of General Order 156 for electric procurement, such that all related costs will become opportunities for diverse suppliers. SDG&E will work closely with the other utilities and the CPUC to incorporate diverse suppliers prior to the COD of a project as this represents significant opportunities with fewer barriers to entry. SDG&E will work with developers and their engineering, procurement and construction (EPC) contractors to utilize diverse suppliers in the development phase of a project.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.

Organizations & events

American Association of Blacks in Energy

- National Conference

Asian Business Association

- Digital Marketing Tools Workshops

Asian Business Association Orange County (ABA-OC)

- Annual Recognition and Achievement

Asian Business Association San Diego (ABA-SD)

- Annual Lunar New Year Celebration
- Rice Club Luncheons

Asian Business Association San Diego (ABA-SD)

- Talk Series

American Indian Chamber of Commerce, California (AICC)

- Annual Scholarship & Awards Luncheon
- Annual Native American Heritage Luncheon
- Annual Conference Business Expo

Black Business Association (BBA)

- Awards Dinner in Recognition of African American Heritage
- Awards Dinner Gala
- Salute to Black Women Business Conference & Awards Luncheon
- Procurement Exchange Summit

Cal Asian Chamber of Commerce

- California Asian Business Summit

California Black Chamber of Commerce (CBCC)

- Legislative “Welcome” Reception and Capital Policy Luncheon
- Foundation Youth Scholarship
- Ron Brown Summit and Conference

California DVBE Alliance (CADVBE)

- Keeping the Promise Business Expo
- Salute to Veterans Day Breakfast

California Hispanic Chamber of Commerce (CAHCC)

- Annual Conference

Central San Diego Black Chamber of Commerce (CSDBCC)

- Annual Awards Gala
- Underrepresented Contractor’s Workshops
- Talk Series - Business Bytes

Diversity Professional Connect

- Diversity Forum & Sharing of Best Practices

Edison Electric Institute (EEI)

- Annual Supplier Diversity Conference

Elite Service Disabled Veteran Owned Business (SDVOB)

- Annual National Convention of Service Disabled Veterans & Small Businesses Conference
- Sponsorship & Appreciation Luncheon

Greater LA African American Chamber of Commerce (GLAAACC)

- Economic Awards Dinner

Greenlining

- Annual Economic Summit
- Greenlining Annual Report Card

National Association of Regulatory Utility Commissioners

- Gaining the Competitive Advantage

National Association of Women Business Owners-LA (NAWBO-LA)

- NAWBO Awards Luncheon

National Association of Women Business Owners-SD (NAWBO-SD)

- NAWBO-SD Bravo Awards
- Networking Conference

National Gay & Lesbian Chamber of Commerce (NGLCC)

- Annual Gala Leadership Conference
- National International Business & Leadership Conference

National Minority Supplier Development Council (NMSDC)

- National Council Conference and Business Opportunity Fair

San Diego Business Journal

- Diversity and Inclusion Workshop

Southern California Economic Summit

Southern California Minority Business Development Council (SCMBDC)

- Minority Business Opportunity Day
- Supplier of The Year (SOTY) Awards Gala
- Leadership Excellence Awards Dinner

Women’s Business Enterprise Council - West (WBEC-WEST)

- San Diego & LA Corporate Connection Dine Around
- Procurement Opportunity Conference and Platinum Supplier Program

Women’s Business Enterprise National Council (WBENC)

- National Conference

SDG&E WMDVLGBTBE annual results by ethnicity

		2017			
		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	\$ 49,573,507	\$ 10,662,272	\$ 60,235,779	3.82%
	African American	\$ 9,941,672	\$ 12,284,612	\$ 22,226,284	1.41%
	Hispanic American	\$ 134,495,243	\$ 59,640,666	\$ 194,135,909	12.30%
	Native American	\$ 51,535,599	\$ 3,151,505	\$ 54,687,104	3.47%
	Total Minority Male	\$ 245,546,021	\$ 85,739,055	\$ 331,285,076	21.00%
Minority Female	Asian Pacific American	\$ 7,870,016	\$ 9,092,929	\$ 16,962,945	1.08%
	African American	\$ 15,192,912	\$ 841,812	\$ 16,034,724	1.02%
	Hispanic American	\$ 4,123,799	\$ 22,764,798	\$ 26,888,597	1.70%
	Native American	\$ 842,079	\$ 9,681	\$ 851,760	0.05%
	Total Minority Female	\$ 28,028,806	\$ 32,709,220	\$ 60,738,026	3.85%
Total Minority Business Enterprise (MBE)		\$ 273,574,827	\$ 118,448,275	\$ 392,023,102	24.85%
Women Business Enterprise (WBE)		\$ 146,495,355	\$ 82,791,295	\$ 229,286,650	14.53%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$ 4,104,473	\$ 1,528,349	\$ 5,632,822	0.36%
Disabled Veteran Business Enterprise (DVBE)		\$ 30,659,691	\$ 45,566,996	\$ 76,226,687	4.83%
Other 8(a)*		\$ -	\$ -	\$ -	0.00%
TOTAL WMDVLGBTBE		\$ 454,834,346	\$ 248,334,915	\$ 703,169,261	44.57%
Net Procurement**		\$ 1,577,787,785			

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

SDG&E WMDVLGBTBE procurement by product and service categories - direct

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Direct	\$ 19,308,796	3.97%	\$ 30,264,710	2.77%	\$ 49,573,507	3.14%
	African American	Direct	\$ 528,788	0.11%	\$ 9,412,885	0.86%	\$ 9,941,672	0.63%
	Hispanic American	Direct	\$ 60,023,212	12.35%	\$ 74,472,032	6.82%	\$ 134,495,243	8.52%
	Native American	Direct	\$ 7,987,458	1.64%	\$ 43,548,140	3.99%	\$ 51,535,599	3.27%
	Total Minority Male	Direct	\$ 87,848,254	18.07%	\$ 157,697,767	14.45%	\$ 245,546,021	15.56%
Minority Female	Asian Pacific American	Direct	\$ 6,197,982	1.27%	\$ 1,672,033	0.15%	\$ 7,870,016	0.50%
	African American	Direct	\$ 33,095	0.01%	\$ 15,159,817	1.39%	\$ 15,192,912	0.96%
	Hispanic American	Direct	\$ 2,063,393	0.42%	\$ 2,060,405	0.19%	\$ 4,123,799	0.26%
	Native American	Direct	\$ 842,079	0.17%	\$ -	0.00%	\$ 842,079	0.05%
	Total Minority Female	Direct	\$ 9,136,550	1.88%	\$ 18,892,256	1.73%	\$ 28,028,806	1.78%
Total Minority Business Enterprise (MBE)		Direct	\$ 96,984,804	19.95%	\$ 176,590,023	16.18%	\$ 273,574,827	17.34%
Women Business Enterprise (WBE)		Direct	\$ 56,669,550	11.66%	\$ 89,825,805	8.23%	\$ 146,495,355	9.28%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$ 648	0.00%	\$ 4,103,825	0.38%	\$ 4,104,473	0.26%
Disabled Veteran Business Enterprise (DVBE)		Direct	\$ 874,770	0.18%	\$ 29,784,920	2.73%	\$ 30,659,691	1.94%
Other 8(a)*		Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
TOTAL WMDVLGBTBE		Direct	\$ 154,529,772	31.78%	\$ 300,304,573	27.51%	\$ 454,834,345	28.83%
Total Product Procurement \$			\$ 486,213,430					
Total Service Procurement \$			\$ 1,091,574,355					
Net Procurement**			\$ 1,577,787,785					
Total Number of WMDVLGBTBEs that Received Direct Spend			381					

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

SDG&E WMDVLGBTBE procurement by product and service categories - subcontracting

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Sub	\$ 994,824	0.20%	\$ 9,667,448	0.89%	\$ 10,662,272	0.68%
	African American	Sub	\$ 571,902	0.12%	\$ 11,712,710	1.07%	\$ 12,284,612	0.78%
	Hispanic American	Sub	\$ 15,364,065	3.16%	\$ 44,276,601	4.06%	\$ 59,640,666	3.78%
	Native American	Sub	\$ 652,850	0.13%	\$ 2,498,655	0.23%	\$ 3,151,505	0.20%
	Total Minority Male	Sub	\$ 17,583,641	3.62%	\$ 68,155,414	6.24%	\$ 85,739,055	5.43%
Minority Female	Asian Pacific American	Sub	\$ 856,861	0.18%	\$ 8,236,068	0.75%	\$ 9,092,929	0.58%
	African American	Sub	\$ -	0.00%	\$ 841,812	0.08%	\$ 841,812	0.05%
	Hispanic American	Sub	\$ 10,268,560	2.11%	\$ 12,496,238	1.14%	\$ 22,764,798	1.44%
	Native American	Sub	\$ -	0.00%	\$ 9,681	0.00%	\$ 9,681	0.00%
	Total Minority Female	Sub	\$ 11,125,421	2.29%	\$ 21,583,799	1.98%	\$ 32,709,220	2.07%
Total Minority Business Enterprise (MBE)	Sub	\$ 28,709,062	5.90%	\$ 89,739,213	8.22%	\$ 118,448,275	7.51%	
Women Business Enterprise (WBE)	Sub	\$ 18,640,093	3.83%	\$ 64,151,202	5.88%	\$ 82,791,295	5.25%	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Sub	\$ -	0.00%	\$ 1,528,349	0.14%	\$ 1,528,349	0.10%	
Disabled Veteran Business Enterprise (DVBE)	Sub	\$ 6,705,033	1.38%	\$ 38,861,963	3.56%	\$ 45,566,996	2.89%	
Other 8(a)*	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
TOTAL WMDVLGBTBE	Sub	\$ 54,054,188	11.12%	\$ 194,280,727	17.80%	\$ 248,334,914	15.74%	
Total Product Procurement \$			\$ 486,213,430					
Total Service Procurement \$			\$ 1,091,574,355					
Net Procurement**			\$ 1,577,787,785					

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

APPENDIX E IN FOLD-OUT ▶

SDG&E WMDVLGBTBE procurement by product category detail

SIC Category		African American		Asian American		Hispanic American	
		Male	Female	Male	Female	Male	Female
23 - Apparel & Oth Finished Prods Made From Fabric	\$	-	-	45,960	-	-	-
	%	0.00%	0.00%	2.82%	0.00%	0.00%	0.00%
24 - Lumber & Wood Prods, Exc Furniture	\$	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26 - Paper & Allied Prods	\$	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28 - Chemicals & Allied Prods	\$	-	-	-	-	1,738	-
	%	0.00%	0.00%	0.00%	0.00%	0.17%	0.00%
29 - Petroleum Refining & Related Industries	\$	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 - Rubber & Misc Plastics Prods	\$	-	-	1,601	-	-	-
	%	0.00%	0.00%	0.95%	0.00%	0.00%	0.00%
32 - Stone, Clay, Glass & Concrete Prods	\$	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
33 - Primary Metal Industries	\$	-	-	210,193	-	766	-
	%	0.00%	0.00%	2.73%	0.00%	0.01%	0.00%
34 - Fabricated Metal Prods, Exc Machinery	\$	-	-	201,520	-	3,199,653	-
	%	0.00%	0.00%	0.81%	0.00%	12.90%	0.00%
35 - Industrial & Commercial Machinery & Computer Equip	\$	527,749	-	-	-	277,948	282,749
	%	2.67%	0.00%	0.00%	0.00%	1.41%	1.43%
36 - Electronic & Oth Elec Equip & Components	\$	1,064	-	19,492,951	-	4,777,349	-
	%	0.00%	0.00%	9.04%	0.00%	2.21%	0.00%
37 - Transportation Equip	\$	-	-	-	104,708	4,749,258	-
	%	0.00%	0.00%	0.00%	1.29%	58.69%	0.00%
38 - Measuring, Analyzing & Controlling Instrumentation	\$	-	-	32,687	895	-	-
	%	0.00%	0.00%	0.21%	0.01%	0.00%	0.00%
39 - Misc Manufacturing Industries	\$	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
50 - Wholesale Trade; Durable Goods	\$	178,080	-	125,625	6,832,956	59,698,313	12,014,175
	%	0.11%	0.00%	0.08%	4.37%	38.16%	7.68%
51 - Wholesale Trade; Nondurable Goods	\$	112,199	33,095	-	63,310	1,194,642	35,030
	%	0.56%	0.17%	0.00%	0.32%	5.99%	0.18%
52 - Bldg Mats, Hardware, Garden Supply	\$	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 - Automotive Dlrs & Gasoline Service Stations	\$	281,598	-	-	-	1,465,092	-
	%	4.86%	0.00%	0.00%	0.00%	25.29%	0.00%
57 - Home Furniture, Furnishings & Equip Stores	\$	-	-	193,083	-	-	-
	%	0.00%	0.00%	16.75%	0.00%	0.00%	0.00%
58 - Eating & Drinking Places	\$	-	-	-	52,974	22,517	-
	%	0.00%	0.00%	0.00%	2.13%	0.91%	0.00%
59 - Misc Retail	\$	-	-	-	-	-	-
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Products Procurement	\$	1,100,690	33,095	20,303,620	7,054,843	75,387,276	12,331,954
	%	0.23%	0.01%	4.18%	1.45%	15.50%	2.54%

Total Product Procurement \$	\$ 486,213,430
Total Service Procurement \$	\$ 1,091,574,355
Net Procurement**	\$ 1,577,787,785

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

Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
Male	Female							
-	-	45,960	1,536,530	-	-	-	1,582,490	1,629,622
0.00%	0.00%	2.82%	94.29%	0.00%	0.00%	0.00%	97.11%	
-	-	-	-	-	-	-	-	8,153
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	-	-	-	3,316	-	3,316	73,266
0.00%	0.00%	0.00%	0.00%	0.00%	4.53%	0.00%	4.53%	
-	-	1,738	31,757	-	-	-	33,495	1,010,414
0.00%	0.00%	0.17%	3.14%	0.00%	0.00%	0.00%	3.31%	
-	-	-	1,414,657	-	2,200	-	1,416,857	1,532,983
0.00%	0.00%	0.00%	92.28%	0.00%	0.14%	0.00%	92.42%	
-	-	1,601	-	-	2,566	-	4,167	168,958
0.00%	0.00%	0.95%	0.00%	0.00%	1.52%	0.00%	2.47%	
-	-	-	-	-	-	-	-	3,335,740
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
-	-	210,959	-	-	-	-	210,959	7,691,255
0.00%	0.00%	2.74%	0.00%	0.00%	0.00%	0.00%	2.74%	
21,529	-	3,422,702	732,068	-	-	-	4,154,770	24,803,057
0.09%	0.00%	13.80%	2.95%	0.00%	0.00%	0.00%	16.75%	
-	-	1,088,445	331,131	-	-	-	1,419,576	19,772,459
0.00%	0.00%	5.50%	1.67%	0.00%	0.00%	0.00%	7.18%	
511,401	-	24,782,765	29,469,916	-	347,079	-	54,599,760	215,699,697
0.24%	0.00%	11.49%	13.66%	0.00%	0.16%	0.00%	25.31%	
707,112	-	5,561,078	202,557	-	-	-	5,763,635	8,091,465
8.74%	0.00%	68.73%	2.50%	0.00%	0.00%	0.00%	71.23%	
-	-	33,583	2,184,497	-	-	-	2,218,080	15,238,332
0.00%	0.00%	0.22%	14.34%	0.00%	0.00%	0.00%	14.56%	
-	-	-	-	-	-	-	-	249,598
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
7,281,539	842,079	86,972,767	22,979,799	-	6,633,834	-	116,586,400	156,461,441
4.65%	0.54%	55.59%	14.69%	0.00%	4.24%	0.00%	74.51%	
117,224	-	1,555,500	15,404,168	-	582,309	-	17,541,977	19,960,049
0.59%	0.00%	7.79%	77.18%	0.00%	2.92%	0.00%	87.89%	
-	-	-	-	-	-	-	-	851,027
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
1,503	-	1,748,193	870,223	-	-	-	2,618,416	5,793,382
0.03%	0.00%	30.18%	15.02%	0.00%	0.00%	0.00%	45.20%	
-	-	193,083	274	-	-	-	193,357	1,152,737
0.00%	0.00%	16.75%	0.02%	0.00%	0.00%	0.00%	16.77%	
-	-	75,491	148,546	648	-	-	224,685	2,482,850
0.00%	0.00%	3.04%	5.98%	0.03%	0.00%	0.00%	9.05%	
-	-	-	3,521	-	8,499	-	12,020	206,948
0.00%	0.00%	0.00%	1.70%	0.00%	4.11%	0.00%	5.81%	
8,640,308	842,079	125,693,866	75,309,646	648	7,579,803	-	208,583,960	486,213,430
1.78%	0.17%	25.85%	15.49%	0.00%	1.56%	0.00%	42.90%	

APPENDIX F IN FOLD-OUT ▶

SDG&E WMDVLGBTBE procurement by service category detail

SIC Category	African American		Asian American		Hispanic American	
	Male	Female	Male	Female	Male	Female
07 - Agricultural Svcs	\$ 243,590	-	747,853	-	53,847	54,427
	% 0.88%	0.00%	2.70%	0.00%	0.19%	0.20%
13 - Oil & Gas Extraction	\$ -	-	-	-	-	-
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 - Bldg Const-General Contractors	\$ -	2,128	-	5,673,820	22,338,814	-
	% 0.00%	0.00%	0.00%	8.27%	32.56%	0.00%
16 - Heavy Const Oth Than Bldg Construction	\$ 210,202	-	113,922	-	51,175,133	365,039
	% 0.07%	0.00%	0.04%	0.00%	16.19%	0.12%
17 - Const-Special Trade Contractors	\$ 10,673,211	9,865	4,513,629	1,326	15,607,863	3,510,600
	% 7.01%	0.01%	2.97%	0.00%	10.25%	2.31%
27 - Printing Publishing & Allied Industries	\$ -	-	99,693	-	7,307	1,572
	% 0.00%	0.00%	6.68%	0.00%	0.49%	0.11%
42 - Motor Freight Transportation & Warehousing	\$ 3,617,637	-	-	4,165	1,354,959	6,462,666
	% 13.58%	0.00%	0.00%	0.02%	5.09%	24.26%
45 - Transportation By Air	\$ 1,451,415	-	-	-	-	-
	% 15.52%	0.00%	0.00%	0.00%	0.00%	0.00%
47 - Transportation Svcs	\$ 1,680	-	-	-	5,820	-
	% 0.11%	0.00%	0.00%	0.00%	0.40%	0.00%
48 - Communications	\$ -	-	-	-	-	-
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
49 - Electric Gas & Sanitary Svcs	\$ -	-	-	-	296	463,930
	% 0.00%	0.00%	0.00%	0.00%	0.01%	12.81%
60 - Depository Institutions	\$ -	-	-	-	-	-
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
62 - Security & Commodity Brokers Dir Exchanges	\$ 350,000	-	-	-	60,793	-
	% 4.99%	0.00%	0.00%	0.00%	0.87%	0.00%
64 - Insurance Agents Brokers & Service	\$ -	11,684	-	-	-	-
	% 0.00%	1.38%	0.00%	0.00%	0.00%	0.00%
65 - Real Estate	\$ 1,337,708	1,300	-	-	138,899	-
	% 47.10%	0.05%	0.00%	0.00%	4.89%	0.00%
73 - Business Svcs	\$ 2,912,030	14,119,925	4,004,755	742,701	4,846,543	2,802,175
	% 1.72%	8.34%	2.37%	0.44%	2.86%	1.66%
75 - Automotive Repair Svcs & Parking	\$ -	-	-	-	1,189,536	50,252
	% 0.00%	0.00%	0.00%	0.00%	63.98%	2.70%
76 - Misc Repair Svcs	\$ -	-	-	-	1,098,684	-
	% 0.00%	0.00%	0.00%	0.00%	44.94%	0.00%
78 - Motion Pictures	\$ -	17,728	180,447	-	-	-
	% 0.00%	7.21%	73.37%	0.00%	0.00%	0.00%
80 - Health Svcs	\$ -	-	-	319,281	-	-
	% 0.00%	0.00%	0.00%	42.39%	0.00%	0.00%
81 - Legal Svcs	\$ -	-	9,692	86,804	63,334	-
	% 0.00%	0.00%	0.11%	0.95%	0.70%	0.00%
82 - Educational Svcs	\$ -	750	-	-	-	-
	% 0.00%	0.04%	0.00%	0.00%	0.00%	0.00%
87 - Engrg Accounting Research Mgmt	\$ 137,876	1,838,249	30,059,769	3,080,005	17,474,575	702,856
	% 0.05%	0.72%	11.81%	1.21%	6.87%	0.28%
89 - Svcs Not Elsewhere Classified	\$ 190,246	-	202,398	-	3,332,229	143,127
	% 0.64%	0.00%	0.68%	0.00%	11.23%	0.48%
Total Services Procurement	\$ 21,125,595	16,001,629	39,932,158	9,908,101	118,748,633	14,556,643
	% 1.94%	1.47%	3.66%	0.91%	10.88%	1.33%

Total Product Procurement \$	\$ 486,213,430
Total Service Procurement \$	\$ 1,091,574,355

Net Procurement**	\$ 1,577,787,785
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NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT

Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
Male	Female							
-	-	1,099,716	1,624,999	-	-	-	2,724,718	
0.00%	0.00%	3.97%	5.86%	0.00%	0.00%	0.00%	9.83%	27,732,118
-	-	-	10,189	-	-	-	10,189	
0.00%	0.00%	0.00%	0.41%	0.00%	0.00%	0.00%	0.41%	2,467,043
-	-	28,014,761	1,397,594	-	14,418,493	-	43,830,848	
0.00%	0.00%	40.84%	2.04%	0.00%	21.02%	0.00%	63.90%	68,597,772
40,524,460	-	92,388,755	10,450,328	-	6,991,316	-	109,830,400	316,064,960
-	0.00%	29.23%	3.31%	0.00%	2.21%	0.00%	34.75%	
227,538	-	34,544,034	46,012,843	-	23,873,342	-	104,430,219	152,227,466
0.15%	0.00%	22.69%	30.23%	0.00%	15.68%	0.00%	68.60%	
-	-	108,572	269,703	-	34,348	-	412,622	
0.00%	0.00%	7.27%	18.07%	0.00%	2.30%	0.00%	27.64%	1,492,914
-	-	11,439,427	2,643,992	-	12,235,074	-	26,318,493	
0.00%	0.00%	42.94%	9.92%	0.00%	45.92%	0.00%	98.78%	26,643,085
-	-	1,451,415	71,820	-	-	-	1,523,235	
0.00%	0.00%	15.52%	0.77%	0.00%	0.00%	0.00%	16.29%	9,351,292
-	-	7,500	65,917	-	-	-	73,417	
0.00%	0.00%	0.51%	4.50%	0.00%	0.00%	0.00%	5.02%	1,463,490
-	-	-	-	-	-	-	-	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,006,799
-	-	464,226	864	-	-	-	465,091	
0.00%	0.00%	12.82%	0.02%	0.00%	0.00%	0.00%	12.84%	3,621,289
-	-	-	-	-	-	-	-	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	654,802
-	-	410,793	105,000	-	105,000	-	620,793	
0.00%	0.00%	5.86%	1.50%	0.00%	1.50%	0.00%	8.86%	7,009,490
-	-	11,684	-	-	-	-	11,684	
0.00%	0.00%	1.38%	0.00%	0.00%	0.00%	0.00%	1.38%	848,431
-	-	1,477,907	816,812	-	-	-	2,294,720	
0.00%	0.00%	52.04%	28.76%	0.00%	0.00%	0.00%	80.80%	2,839,976
458	9,681	29,438,269	38,724,157	2,870	5,262,284	-	73,427,579	169,242,503
0.00%	0.01%	17.39%	22.88%	0.00%	3.11%	0.00%	43.39%	
-	-	1,239,788	15,312	-	-	-	1,255,100	
0.00%	0.00%	66.69%	0.82%	0.00%	0.00%	0.00%	67.51%	1,859,128
-	-	1,098,684	4,200	-	-	-	1,102,884	
0.00%	0.00%	44.94%	0.17%	0.00%	0.00%	0.00%	45.11%	2,444,688
-	-	198,175	-	-	-	-	198,175	
0.00%	0.00%	80.58%	0.00%	0.00%	0.00%	0.00%	80.58%	245,930
-	-	319,281	-	-	-	-	319,281	
0.00%	0.00%	42.39%	0.00%	0.00%	0.00%	0.00%	42.39%	753,234
-	-	159,830	1,040,217	-	-	-	1,200,047	
0.00%	0.00%	1.75%	11.42%	0.00%	0.00%	0.00%	13.17%	9,110,101
-	-	750	1,719,489	-	-	-	1,720,239	
0.00%	0.00%	0.04%	97.42%	0.00%	0.00%	0.00%	97.46%	1,765,104
4,814,205	-	58,107,535	35,257,477	5,629,304	5,375,386	-	104,369,702	254,466,606
1.89%	0.00%	22.84%	13.86%	2.21%	2.11%	0.00%	41.02%	
480,134	-	4,348,134	13,746,093	-	351,639	-	18,445,866	29,666,133
1.62%	0.00%	14.66%	46.34%	0.00%	1.19%	0.00%	62.18%	
46,046,795	9,681	266,329,236	153,977,007	5,632,174	68,646,884	-	494,585,301	1,091,574,355
4.22%	0.00%	24.40%	14.11%	0.52%	6.29%	0.00%	45.31%	

Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

Data On Number of Suppliers												
# WMDVLGBTBEs	Revenue Reported to CHS					Utility-Specific 2017 Summary						
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1M	123	96	4	50	0	273	275	216	4	42	0	537
Under \$5 million	72	71	0	0	0	143	39	27	0	5	0	71
Under \$10 million	33	36	0	1	0	70	10	10	0	2	0	22
Above \$10 million	104	55	0	1	0	160	8	5	0	3	0	16
TOTAL	332	258	4	52	0	646	332	258	4	52	0	646

Revenue and Payment Data												
# WMDVLGBTBEs	Revenue Reported to CHS					Utility-Specific 2017 Summary						
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1M	35.1	35.5	0.9	0	0	70.6	42.8	37.0	5.6	8.0	0	93.4
Under \$5 million	186.9	180.3	0	0	0	367.2	90.8	55.0	0.0	12.6	0	158.5
Under \$10 million	240.4	263.3	0	5.6	0	509.3	65.0	70.1	0.0	14.6	0	149.7
Above \$10 million	33,481.5	11,145.8	0	391.9	0	45,019.3	193.4	67.2	0.0	41.0	0	301.6
TOTAL	33,943.9	11,625.1	0.9	397.5	0	45,966.4	392.0	229.3	5.6	76.2	0	703.2

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
CHS: SUPPLIER CLEARINGHOUSE

Major SDG&E WMDVLGBTBE purchase categories

CATEGORY	SPEND CATEGORIES	2017 Total \$ (In Millions)	2017 DBE % of Total Spend
Electric Operations	Engineering, Procurement and Construction (EPC), Engineering Services, Smart Grid, Electric Construction Services, Vegetation Management, Cable/Wire, Transformers, Equipment Rental, Aviation Services, Wildfire Mitigation Support, Traffic Control, Grading/Paving/Civil Services, Substation Site Development, Foundations	\$888.7	56.3%
Gas Operations	Engineering, Materials, Construction, Welding Inspection, Locating & Testing Services	\$169.4	10.7%
Customer Services	Energy Efficiency, Advertising & Marketing, Fulfillment & Distribution Services, Printing & Related Services, Appliance Recycling	\$113.2	7.2%
Information Technology	PC Equipment, Hardware/Software, Licensing, Application Development, Network/Telecommunication Equipment and Support, Helpdesk, Consulting	\$113.7	7.2%
Operations Support	Furniture, Office Maintenance & Repair, Landscaping & Maintenance, Building Leasing, Relocation, Environmental Services, Land Survey, Food & Catering, Building Security & Monitoring	\$104.9	6.7%
Power Supply	Electricity & Gas Commodity, Power Plant Maintenance, Turbine Maintenance	\$32.5	2.1%
Professional Services	Legal, Tax Consulting, Audit Services, Insurance & Benefits, Bond Issuance	\$20.5	1.3%
Fleet Services	Trucks, Vehicles & Equipment, Fuel & Oils, Tires, Auto Parts and Services, Vehicle Disposal	\$24.7	1.6%

Supplier diversity glossary of terms

CBO

Community based organization

DBE

Diverse Business Enterprise, SDG&E's term for WMDVLGBTBE

DVBE

Service Disabled Veteran-owned Business Enterprise

GO 156

In May 1988, the California Public Utilities Commission (CPUC) issued General Order 156 (GO 156). Under GO 156, all investor-owned electric, gas, water and telecommunication utility companies with gross annual revenues in excess of \$25 million and their regulated subsidiaries and affiliates, were required to develop and implement programs to increase the utilization of woman and minority owned businesses. Voluntary procurement goals are 5% for women, 15% for minorities and 1.5% for service-disabled veterans.

LGBTBE

In Decision 15-06-007, the CPUC required that Lesbian, Gay, Bisexual or Transgender Business Enterprises (LGBTBE) be included in General Order 156 reporting. There are no established goals at this time.

MBE

Minority-owned Business Enterprise (African American, Asian Pacific American, Hispanic American, Native American)

MWBE

Minority female-owned Business Enterprise (African American, Asian Pacific American, Hispanic American, Native American)

Other 8(a)

Other groups or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of Small Business Act. Other 8(a) may include non-WMDVLGBTBE firms.

QuickPay

This initiative requires federal agencies to speed up payments to small business contractors, with the goal of paying within 15 days. SDG&E's Supplier Quick Pay Program is based upon this federal initiative.

SCORE

Small Contractor Opportunity Realization Effort provides opportunities for new and growing diverse suppliers companies to demonstrate their abilities to work with utilities through low dollar, short term agreements, typically under \$75,000.

SQPP

Supplier Quick Pay Program - Helps small businesses by increasing their working capital, so they can grow their businesses and hire more workers. In the SQPP initiative, SDG&E commits to pay qualified small suppliers faster with payment terms of net 15 day with no discount.

SUBCONTRACTING

Subcontracting refers to 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.)

- 1) For the furnishing of supplies or services, which, in whole or in part, are necessary to the performance of any one or more contracts; or
- 2) Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.

TECHNICAL ASSISTANCE

Technical Assistance - Provides well rounded and comprehensive programs to increase business acumen for diverse business owners at all levels and across functional business areas.

Tier 1 - Supplier Objectives: Identify core capabilities and develop metrics for supporting growth. Address business challenges and risk. Develop an action plan and a toolkit to overcome barriers.

Tier 2 - Supplier Objectives: Focus on capacity expansion and increasing revenue. Establish a strategic growth plan and identify methods to maximize profits.

Tier 3 - Supplier Objectives: Focus on key areas of expertise and leveraging subcontractors for areas that are not part of a supplier's core competency. Create value-added and innovative products and services. Proactively anticipate and prepare for future change. Develop a sustainable business model.

WBE

Women-owned Business Enterprise

WMBE

Women and Minority-owned Business Enterprise

WMDVBE

Women, Minority and Service Disabled Veteran-owned Business Enterprise

WMDVLGBTBE

Women, Minority, Service Disabled Veteran and Lesbian, Gay, Bisexual or Transgender Business Enterprise



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