

Supplier Diversity 2020 Annual Report and Plan

Report to the
California Public
Utilities Commission

Redwood Coast Energy Authority
March 1, 2021



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TABLE OF CONTENTS

2020 Annual Report	6
9.1.1 Diverse BE Program Activities	7
9.1.2 Summary of Purchases	9
9.1.3 Diverse BE Program Expenses	14
9.1.4 Description of Progress in Meeting or Exceeding Set Goals	14
9.1.5 Summary of Prime Contractors Utilization of Diverse BE Subcontractors	15
9.1.6 List of WMDVLGBTBE Complaints Received	16
9.1.7 Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Areas	16
9.1.8 Retention of All Documents/Data	16
9.1.9 Additional WMDVLGBTBE Activity	16
9.1.11 WMDVLGBTBE Fuel Procurement	17
2021 Annual Plan	19
10.1.1 WMDVLGBTBE Annual Short-, Mid- and Long-Term Goals by Product and Service Category	18
10.1.2 Description of WMDVLGBTBE Internal and External Activities for 2020	18
10.1.3 Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas	19
10.1.4 Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable	20
10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers	21
10.1.6 Plans for Complying with WMDVLGBTBE Program Guidelines	21
Maximizing GO156 Effectiveness	21

2020 Annual Report

2021 MARKS THE INAUGURAL YEAR FOR COMMUNITY CHOICE AGGREGATORS' PARTICIPATION IN THE CALIFORNIA PUBLIC UTILITIES COMMISSION'S (CPUC'S) SUPPLIER DIVERSITY PROGRAM. The Redwood Coast Energy Authority's (RCEA) Community Choice Aggregation (CCA) program started serving load in May 2017 for the express purpose of empowering its member communities to choose the generation resources that reflect their specific values and needs. Chief among these needs identified through community workshops and input to RCEA's Board of Directors are affordability, local economic development, local control over power resources and generation rates, greenhouse gas emissions reduction, air quality, protection of natural resources, and energy reliability in rural Humboldt County, an area especially prone to extended electric outages.

RCEA is motivated to increase our supplier diversity in the coming years, now equipped with a familiarity of the State's General Order 156¹ (GO156) requirements and how they interface with existing statutes and regulations such as Proposition 209. Consequently, we've developed a pathway toward diversifying our procurement.

Racial inequities running rampant in our nation must be addressed wholesale on numerous fronts, including expeditious institutional reform. Race-based violence occurs within a web of compounding social, economic, and environmental injustices. Equal access to economic opportunity for business enterprises owned by women, minorities, disabled veterans, lesbian, gay, bisexual, transgender, (WMDVLGBT) and others experiencing marginalization must be achieved. Policies that promote utility procurement of products and services from WMDVLGBT business enterprises (WMDVLGBTBEs) is a step toward achieving that goal. CPUC staff, in conversation and presentations, has used the term "diverse BEs" as an abbreviated reference to the WMDVLGBTBE acronym. RCEA uses the term "diverse BEs" hereafter to refer to this group of business enterprises.

In addition to diverse BEs, other types of business owners also experience economic marginalization in our society, and RCEA's procurement policies have and continue to help close those gaps. While GO156 acknowledges Small Business Administration 8(a) certified small businesses (and rightly so), RCEA notes the importance of purchasing from local, Department of General Services-certified small businesses not recognized through the CPUC's diverse BE-focused Supplier Clearinghouse. Accordingly, RCEA spent \$21,890.71 on local, DGS-certified small businesses in 2020.

This spend is impactful because our CCA service territory is rural, thus experiencing economic marginalization distinct from our metropolitan neighbors served by their own CCA programs. Our local procurement from small businesses is essential in our service territory, where poverty and low household income are widespread, and where distance creates logistical challenges in procuring goods

¹ General Order 156, adopted April 27, 1988, is officially titled "RULES GOVERNING THE DEVELOPMENT OF PROGRAMS TO INCREASE PARTICIPATION OF WOMEN, MINORITY AND DISABLED VETERAN BUSINESS ENTERPRISES IN PROCUREMENT OF CONTRACTS FROM UTILITIES AS REQUIRED BY PUBLIC UTILITIES CODE SECTIONS 8281-8286"

and services from outside our area.

The following table highlights our most notable local spend:

Expense Category	Sum of 2020 Spend
Power Purchase - Biomass	\$ 14,941,751.87
Professional Services	\$ 369,124.40
Net Energy Metering customer payouts	\$ 115,442.80
RCEA facility costs	\$ 86,972.05
Electric Bike incentives	\$ 41,350.00
Electric Vehicle Charging Network	\$ 31,222.24
Supplies	\$ 31,050.55
Outreach	\$ 7,861.87
Grand Total	\$ 15,624,775.78

RCEA is proud of our procurement from these businesses and is excited to leverage GO156 as an opportunity to further the power our procurement holds to stimulate small, local, and diverse business growth.

9.1.1 Diverse BE Program Activities

In 2020, RCEA engaged in the following activities oriented toward increasing supplier diversity:

1. Crafting this inaugural Annual Supplier Diversity Report and Plan.
2. Reading and understanding the history, requirements, and intent of Senate Bill 255 and General Order 156
3. Meeting with CPUC staff to better understand the opportunities available to CCAs to increase our diverse spend
4. Attending MCE's Certify and Amplify Workshop to learn about their efforts and gather ideas for how we can offer a similar workshop in our community to educate vendors about the benefits of Clearinghouse certification
5. Attending the CPUC Supplier Diversity En Banc to learn how CCAs can strengthen our supplier diversity efforts
6. Participating in the CalCCA GO156 Supplier Diversity Roundtable to better understand how CCAs can maximize supplier diversity in our communities, especially within the unique constraints of Proposition 209
7. Regular meetings among RCEA department directors and staff to discuss, develop, and select external and internal supplier diversity programs to implement in 2021 and beyond.

8. Developing an Action Plan for Racial Justice; a strategic suite of policies that will guide RCEA's overall efforts to institutionalize diversity, equity, and inclusion across hiring practices, employee retention, employee recruitment, procurement, community relations, and Board representation. Another focus is working more closely with the local tribal governments. This effort has been supported by RCEA's involvement in the Environmental Justice CalCCA committee and the broader CCA community. RCEA staff will present the completed Action Plan for Racial Justice to the full board in June 2021 for adoption.

In 2021, we are prepared to dedicate resources to supply technical assistance to diverse, local, and small businesses.

9.1.2 Summary of Purchases

WMDVLGBTBE Annual Results by Ethnicity

Redwood Coast Energy Authority			2020 Report	G.O. #156 Sec. 9.1.2		
WMDVLGBTBE Annual Results by Ethnicity						
			2020			
			Direct	Sub	Total \$	%
1	Minority Male	Asian Pacific American	\$0	\$0	\$0	0.00%
2		African American	\$0	\$0	\$0	0.00%
3		Hispanic American	\$0	\$0	\$0	0.00%
4		Native American	\$0	\$0	\$0	0.00%
5		Total Minority Male	\$0	\$0	\$0	0.00%
6	Minority Female	Asian Pacific American	\$0	\$0	\$0	0.00%
7		African American	\$0	\$0	\$0	0.00%
8		Hispanic American	\$0	\$0	\$0	0.00%
9		Native American	\$0	\$0	\$0	0.00%
10		Total Minority Female	\$0	\$0	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		\$0	\$0	\$0	0.00%
12	Women Business Enterprise (WBE)		\$0	\$0	\$0	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		\$4,829	\$0	\$4,829	0.01%
15	Other 8(a)*		\$0	\$0	\$0	0.00%
16	TOTAL WMDVLGBTBE		\$4,829	\$0	\$4,829	0.01%
17	Net Procurement**		\$43,927,595			
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						

WMDVLGBTBE Direct Procurement by Product and Service Categories

RCEA does not have sufficient procurement information broken down by product and service categories for our certified vendors.

Redwood Coast Energy Authority			2020 Report			G.O. #156 Sec. 9.1.2			
WMDVLGBTBE Direct Procurement by Product and Service Categories									
			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
2		African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
3		Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
4		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
6	Minority Female	Asian Pacific American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
7		African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
9		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
12	Women Business Enterprise (WBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$0	0.00%	\$4,829	0.89%	\$4,829	0.89%
15	Other 8(a)*		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Direct	\$0	0.00%	\$4,829	0.01%	\$0	0.00%
17	Total Product Procurement			\$0					
18	Total Service Procurement			\$0					
19	Net Procurement**			\$43,927,595					
20	Total Number of WMDVLGBTBEs that Received Direct Spend			0					
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									

WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

RCEA does not have sufficient procurement information broken down by product and service categories for our certified vendors.

Redwood Coast Energy Authority			2020 Report		G.O. #156 Sec. 9.1.2				
WMDVLGBTBE Subcontractor Procurement by Product and Service Categories									
			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
2		African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
3		Hispanic American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
4		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
6	Minority Female	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
7		African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
9		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
12	Women Business Enterprise (WBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
15	Other 8(a)*		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
17	Total Product Procurement			\$0					
18	Total Service Procurement			\$0					
19	Net Procurement**			\$43,927,595					
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									

WMDVLGBTBE Procurement by Standard Industrial Categories

RCEA's certified vendors did not have SIC or NAICS codes; therefore, RCEA does not have any spend to report in SIC category table, although our net procurement is provided.

Redwood Coast Energy Authority	2020 Report	G. O. #156 Sec 9.1.2
WMDVLGBTBE Procurement by Standard Industrial Categories		

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
01-99	\$													\$0	
	%													0.0%	
TOTAL	\$														
	%														

Total Product Procurement	\$0
Total Service Procurement	\$0

Net Procurement***	\$43,927,595
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NOTE: FIRMS WITH MULTIPLE MINORITY OWNERSHIP STATUS

**FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

***NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY

% - PERCENTAGE OF TOTAL DOLLARS

Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

RCEA populated the “Utility-Specific 2020 Summary” portion of this table with our vendor revenue; we did not have sufficient information to report “Revenue Reported to CHS” this year. We will strive to engage our vendors earlier in program year 2021 to obtain this information.

Redwood Coast Energy Authority				2020 Report				G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)				
Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse												
Data on Number of Suppliers												
Revenue Reported to CHS						Utility-Specific 2020 Summary						
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million										1		1
Under \$5 million												
Under \$10 million												
Above \$10 million												
TOTAL												
Revenue and Payment Data												
Revenue Reported to CHS						Utility-Specific 2020 Summary						
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million										\$4,829		\$4,829
Under \$5 million												
Under \$10 million												
Above \$10 million												
TOTAL										\$4,829		\$4,829
NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE												
CHS: SUPPLIER CLEARINGHOUSE												

9.1.5 Summary of Prime Contractors' Utilization of Diverse BE Subcontractors

RCEA's prime contractors may have utilized diverse subcontractors during the reporting year; however, RCEA does not have these records for 2020. RCEA intends to educate prime contractors in upcoming years so they in turn can educate and encourage their subcontractors to pursue Clearinghouse certification.

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subcontracting \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subcontracting %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Procurement**			\$0					
NOTE: *FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE								
**NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS								
% - PERCENTAGE OF NET PROCUREMENT								
Direct - DIRECT PROCUREMENT								
Sub - SUBCONTRACTOR PROCUREMENT								

9.1.6 List of WMDVLGBTBE Complaints Received

RCEA did not receive any formal complaints this reporting cycle.

9.1.7 Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Areas

This section is not applicable to CCAs.

9.1.8 Retention of All Documents/Data

This section is not applicable to CCAs.

9.1.9 Additional WMDVLGBTBE Activity

Section 9.1.1 describes all of RCEA's 2020 activities supporting diverse BE's.

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9.1.11 WMDVLGBTBE Fuel Procurement

RCEA did not procure power products from a CPUC Supplier Diversity Program certified entity during reporting year 2020, nor did RCEA have any owned power plants or power purchase agreements that required fuel provision.

Despite this, RCEA does procure power products from a variety of small, local producers as part of our Board-directed effort to spur and sustain economic development within our service area. In 2020, RCEA procured energy and capacity from two local biomass plants, DG Fairhaven Power and Humboldt Sawmill Company's Scotia Cogeneration Plant (HSC). RCEA's procurement from HSC sustains a number of local jobs and will continue to do so through the end of the power purchase agreement (PPA), which is currently set for early 2024. RCEA's PPA with DG Fairhaven expired in December 2020.

In addition, RCEA launched its Feed-In Tariff program in 2019 which offers an above-market PPA price for new, small-scale (≤ 1 MW) renewable generation within our service area. RCEA signed a number of PPAs under this program in 2020, and currently has 6 MW in total of new solar generation under contract. The six solar facilities are expected to come online in 2021 and 2022.

Lastly, RCEA is funding about half the cost of the Redwood Coast Airport Microgrid project, which will be an RCEA-owned hybrid solar-plus-storage resource at our local airport. Design and project management are being provided by the Schatz Energy Research Center, which is a research branch of Humboldt State University, and installation of the solar array will be sub-contracted to a local firm at prevailing wage.

2021 Annual Plan

10.1.1 WMDVLGBTBE Annual Short-, Mid- and Long-Term Goals by Product and Service Category

This section is not applicable to CCAs.

10.1.2 Description of WMDVLGBTBE Internal and External Activities for 2020

PLANNED EXTERNAL PROGRAM ACTIVITIES FOR 2021	
Proposed Activity	Description
Host our own version of Certify and Amplify	Using MCE's Certify and Amplify workshop as a model, develop an online Supplier Clearinghouse certification training, which can be recorded and saved to the RCEA website for later viewing. The purpose of the workshop is to explain the process and benefits of certification for diverse BE's, as encouraged by CPUC General Order 156. The goal is to focus on Humboldt County businesses. We plan to collaborate and leverage existing relationships with the Humboldt Builders' Exchange, Chambers of Commerce, Prosperity Network, and PG&E to maximize the benefit of this event to our community.
Provide technical assistance to diverse BE's: Encourage local firms and existing vendors to pursue certification	Assist local diverse BEs that are interested in gaining certification to be listed on the state's Supplier Clearinghouse database. Be available to answer technical questions on certification requirements, and assist with the submission of required materials.
Participate in diverse organizations and chambers of commerce	Identify local diverse organizations and chambers of commerce that would be interested in hearing about GO 156 and the State's Supplier Clearinghouse; this may involve being a speaker at a regular meeting, or providing information on the benefits of certification.
Participate in local, state, national supplier diversity events	Similar to the activity above, identify events (preferably local, but also regional and statewide) where RCEA can engage with diverse supplier groups, such as the National Business Inclusion Consortium, the Western Regional Minority Supplier Development Council, and the Women's Business Enterprise Council.

PLANNED INTERNAL PROGRAM ACTIVITIES FOR 2020	
Proposed Activity	Description
Develop RCEA team that sets supplier diversity goals for each department and works toward achieving established goals.	Each program director will select one member of their team to participate in an RCEA supplier diversity committee. This team will include a representative from transportation, administration, power resources, demand side management, and operations. This team will be responsible for becoming familiar with supplier diversity requirements, setting goals (qualitative and quantitative), further developing the activities contained in these tables, and crafting strategies to achieve goals.
Track spend and regularly report results to RCEA Board of Directors.	Staff with direct access to contract and invoicing data will track spend with diverse BEs. Staff will prepare a report summarizing the annual GO156 submission, and deliver this report for review by the RCEA Board of Directors.
Share upcoming contracting opportunities with Supplier Clearinghouse database with a priority on local suppliers; respond to diverse BE prospective supplier inquiries	RCEA supplier diversity team representatives will become familiar with supplier database spreadsheet; they will ensure distribution of purchasing or contract opportunities to GO156 certified businesses in addition to our broader distribution list, with a special emphasis on local vendors. RCEA will have a form on its website where contractors can enter their e-mail address to be included in upcoming contract and procurement opportunities.
Have supplier diversity training at RCEA all-staff meeting	Staff will deliver a high-level presentation during an all-staff meeting to educate staff on GO156 background, CPUC requirements, RCEA efforts, and the importance of supplier diversity.
Work with prime suppliers to optimize diverse participation and accurately report. Train prime suppliers in certification requirements so they can educate their subcontractors to certify.	Staff with direct relationships with prime contractors will provide information to said primes to encourage them to certify, and also educate their subcontractors to certify.

10.1.3 Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

This section is not applicable to CCAs.

10.1.4 Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

This section is not applicable to CCAs.

10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

This section is not applicable to CCAs.

10.1.6 Plans for Complying with WMDVLGBTBE Program Guidelines

This section is not applicable to CCAs.

Maximizing GO156 Effectiveness

GO156 presents a great opportunity for CCAs to help advance economic justice in California; however, CCAs face unique policy challenges when compared to other GO156-participating utilities. Namely, as government entities, we are prevented by Proposition 209 from considering race, sex, or ethnicity when hiring employees and contracting. The Clearinghouse introduces a legal grey area because of its emphasis on race and gender – two classes of criteria that are expressly disallowed for governments to consider in hiring and contracting. The grey area can cause governments to bear additional risk and cost associated with challenges under Proposition 209.

Fortunately, there are ways forward to address this challenge to maximize the efficacy of Senate Bill 255's intent. For example, the GO-156 Clearinghouse can be adjusted to include critical equity metrics that public agencies identify and use to increase small, local, and diverse spend: small and local businesses, businesses operating in impoverished and low-income neighborhoods, businesses hiring ex-convicts, and other similar objectives. Local governments have considered community needs and committed extensive resources toward the development of policies, procedures, and programs that advance economic justice within the confines of Proposition 209.

As CCAs complete our first round of GO156 reporting, we look forward to the many years ahead during which we will refine our processes as well as collaborate with our fellow utilities and the CPUC to develop best practices and identify solutions to realize shared supplier diversity outcomes.