



Second Consecutive Year

## PG&E Exceeds CPUC Supplier Diversity Goal

For the second consecutive year, PG&E exceeded the **California Public Utility Commission's (CPUC)** 21.5 percent goal, achieving 21.7 percent in women, minority and disabled veteran business enterprise (**WMDVBE**) spend. The company reported spending almost \$600 million dollars with WMDVBEs, the highest level in diverse spending in the 27-year history of its supplier diversity program. In comparison to 2006, this milestone represents \$100 million in additional diverse spending.

### Highlights of PG&E's 2007 Success:

- > PG&E's overall purchase base in 2007 increased significantly over 2006 — by more than \$487 million — a 21.4 percent increase. At the same time, working together, sourcing and supplier diversity were able to increase PG&E's WMDVBE spend by almost \$107 million, a 21.7 percent year-over-year increase. PG&E's WMDVBE spend thus grew at a faster rate than the purchase base.
- > PG&E was able to increase its spend in all three categories: minority business enterprise (MBE), women business enterprise (WBE) and disabled veteran business enterprise (DVBE). Overall, MBE spend increased almost \$68 million, WBE spend increased more than \$38 million and DVBE spend increased almost \$400,000.
- > In 2007, PG&E continued to set targets for its prime suppliers to identify opportunities for smaller WMDVBEs. PG&E hosted and attended events to introduce WMDVBEs to primes. These efforts resulted in a tremendous increase in subcontracting, which increased almost \$46 million, a 32 percent increase over 2006.

An electronic version of PG&E's 2007 Supplier Diversity Annual Report is now available. If you wish to request a copy, please e-mail your request to [supplierdiversityteam@pge.com](mailto:supplierdiversityteam@pge.com). ■



### PG&E DEBUTS

## New Design Of Web Site

Visit the redesigned [www.pge.com](http://www.pge.com) today to submit your new supplier profile

An updated design of PG&E's Web site is now available, offering easier navigation and a better way for our customers to reach the information they need, fast.

This major transformation in web content and design includes enhanced supplier registration forms and processes. PG&E needs all suppliers who wish to continue doing business with us to complete a new profile in our new supplier registration and maintenance system.

Diverse suppliers who are not certified as a Women- and Minority-owned Business Enterprise (WMBE) or a Disabled Veteran Business Enterprise (DVBE) should visit our Supplier Diversity site for information and links to facilitate their certification application process.

PG&E will continue to post contractual opportunities for suppliers to review. As always, PG&E's Supplier Diversity team is available to assist you.

We can be reached at 415-973-8800 or [supplierdiversityteam@pge.com](mailto:supplierdiversityteam@pge.com). ■

## Powered by Diversity Interview with **KENT M. HARVEY** Senior Vice President, Chief Risk and Audit Officer



### **Q: How have PG&E's supplier diversity efforts changed during your tenure with PG&E?**

**A:** When I joined PG&E in the early 1980s, supplier diversity was in its early

stages. Since then it has grown tremendously, both in size and sophistication. I think there's more energy around supplier diversity now than ever before. One of the best things I see is that diversity is explicitly part of our values, which makes it "front and center" for us. It also means it has real staying power, because our values don't change.

### **Q: What specifically is the Chief Risk Officer's organization (risk management, audit, corporate security and compliance) doing to ensure that it contributes to the company's supplier diversity efforts?**

**A:** Although my organization has a relatively small amount of contract expenditures, we want to make sure we're doing our part to help PG&E achieve its objectives for diversity spending. We have made diversity spending a specific step in the process we go through

to select a supplier. We also make sure supplier diversity is something that is being measured by our organization and people feel ownership over the results. Third, we partner with the supplier diversity team (SDT) to ensure we understand all of our opportunities and are aware of the approaches being used by other organizations. For example, we had one long-term supplier that we valued very highly who wasn't certified, so we helped that supplier become certified.

### **Q: What are the challenges that your organization faces in achieving established supplier diversity goals and objectives?**

**A:** When you have a small amount of eligible spend, I think it makes it a little harder for people to stay focused on diverse spending and sustain their efforts. We've also been challenged in obtaining data for the parts of my organization that reside in the Corporation, but we're working to fix that.

### **Q: Why do you think that supplier diversity is important in helping PG&E become the leading utility in the United States?**

**A:** There are lots of reasons. Having a diverse group of suppliers helps ensure that we obtain the best products and services. It links us with communities we serve. It contributes to the growth of new businesses in our service territory. And it's the right thing to do.

### **Q: How do you hold your organization accountable for increasing business opportunities with diverse suppliers?**

**A:** Each director in my organization is responsible for developing strategies to optimize their diverse spend and I monitor their progress. I also expect my team to work in conjunction with the SDT to make sure we're leveraging their knowledge and resources.

### **Q: Have you given any thought to forming an internal supplier diversity team within your organization to help elevate your efforts?**

**A:** We have a supplier diversity lead, **Michael Chinen**, who helps coordinate our efforts across my organization. Michael works with each of the directors as well as SDT to help us raise the level of our game. ■

## PG&E's Supplier Diversity Team

Our Supplier Diversity team is at your service. The following lists our supplier diversity representatives, the corresponding area of support and assigned diverse market segment.

Team Contact	E-mail	Assigned Business Support	Business Segment
<b>Jerilyn Gleaves</b>	j1gi@pge.com	Corporate Services, Customer Care Energy Efficiency, Consulting Services, Legal, Finance, Human Resources	African-American
<b>Tita Gray</b>	txgo@pge.com	Generation — Diablo Nuclear Power Plant	Native American
<b>Steve Machado</b>	spm4@pge.com	Energy Delivery Materials (Equipment, Wire & Cable, Poles, Pipes, etc.)	Hispanic-American
<b>Tanya Nixon</b>	tnn7@pge.com	IT/Telecom, Transportation, Environmental Services	Asian-American Women's Network
<b>Joy Ong</b>	jaoj@pge.com	Energy Delivery Services (Construction Engineering)	
<b>Al "Skip" Solorzano</b>	aas6@pge.com	Generation — Hydro Facilities, New Generation Facilities	Service Disabled
<b>Perry Bumanlag</b>	pvb1@pge.com	Direct and Sub-contracting Reporting	

If your type of business is not listed above, contact the Supplier Diversity Team at [supplierdiversityteam@pge.com](mailto:supplierdiversityteam@pge.com) or call **415-973-8800**.

## Supplier Profile **Over the Top Coaching**



*Jeffrey D. Hatchell*

During the last two years, various PG&E organizations, including the supplier diversity team, have employed the professional development services offered by diverse supplier **Over the Top Coaching. Jeffrey D. Hatchell** is the President and CEO. He has more than 20 years of experience working for Fortune 500 companies. Over the Top Management and Professional Development Services equips mid-management-level executives with the leadership skills necessary to effectively manage and lead a team. Their system supplements on-the-job training with tailored leadership development and management coaching. The outcome is an effective leader who engages and empowers a team to exceed

company objectives with "over the top" performance.

Over the Top Coaching created a coaching and development curriculum that is currently being offered to PG&E Corporation's finance management team. Hatchell provided the courses and the training manual and conducted a train-the-trainer session.

According to **Benjamin Harris** of PG&E Corporation's finance organization, "Throughout our experience, Jeffrey Hatchell was very responsive to our needs and was willing to go the extra mile to ensure that we stayed on track. We strongly believe that this course will have a positive impact on our organization."

For additional information on this Clearinghouse-certified supplier, visit their Web site at [www.OvertheTopCoaching.com](http://www.OvertheTopCoaching.com). ■

## Upcoming Events

The supplier diversity team will participate in the following events. We invite you to join us in support of these organizations and activities.

### April - June

<b>April 15-16</b>	Keeping the Promise Conference California DVBE Alliance	Irvine, CA
<b>April 14-19</b>	AABE 31st Annual Conference American Association of Blacks In Energy	Houston, TX
<b>April 29 - May 1</b>	7th Annual Veterans and Small Business Training and Outreach Conference U.S. Army Corps of Engineers/ Northern California Elite SDVOB Network	Sparks, NV
<b>May 27-29</b>	USPAAC Business Opportunity Conference US Pan Asian American Chamber of Commerce	Washington, D.C.
<b>June 12-14</b>	NAWBO Business Fair & Conference	Phoenix, AZ
<b>June 16-18</b>	EEL Annual Supplier Diversity Conference & Expo	Toronto, CAN
<b>June 23-26</b>	WBENC Women in Business 2007: Launching a New Decade WBENC National Conference	Atlanta, GA

## Diversity Spotlight

### Bill Harper Named Chief Diversity Officer



*Bill Harper*

PG&E recently named **Bill Harper** to the newly created role of chief diversity officer. His mission is to ensure the company coordinates and leverages its

numerous diversity-related efforts, including the supplier diversity program, recruitment and training programs, the employee associations, outreach to diverse communities and various diverse customer programs and services. The Equal Employment Opportunity reporting group reports to Harper. Harper co-leads the diversity and inclusion steering committee, along with CEO and President **Bill Morrow**.

"Bill is well qualified to take PG&E's commitment to building and training a diverse workforce to the next level," said Morrow. "PG&E serves among the most diverse group of natural gas and electric customers in the United States, and ensuring we have a workforce and supplier programs that are responsive to their needs is essential to the success of our business."

Harper formerly served as PG&E's vice president of shared services and chief procurement officer.

**Des Bell** will assume the role vacated by



*Des Bell*

Harper and will be responsible for leading the utility's supply chain, materials operations, supplier diversity, transportation services, environmental, technical & land

services and corporate real estate work. Des formerly served as vice president and utility chief of staff, and has 25 years of experience in supply chain and logistics management. ■

## Feedback

We welcome your comments, please submit any suggestions or feedback to: [supplierdiversityteam@pge.com](mailto:supplierdiversityteam@pge.com)

Powered By Diversity presented by PG&E Supplier Diversity Team

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