

From: Peevey, Michael R.
Sent: 1/14/2011 10:43:01 AM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: Re: 2010 Supplier Diversity Results forecast

Great work. Tell Peter I said so.

From: Cherry, Brian K
To: Peevey, Michael R.; Zafar, Marzia; Simon, Timothy A.
Sent: Fri Jan 14 10:03:58 2011
Subject: FW: 2010 Supplier Diversity Results forecast

Mike/Timothy/Marzia - final YTD looks like 33.4% - a record for diversity spend.

From: Bell, Des

Sent: Friday, January 14, 2011 9:23 AM

To: All PGE Officers

Cc: Shared Svcs SVP Direct Reports; Kerr, Joan; Schultz, Lance; Coleman, Steve T; Meko, Michael; Winter, Linda; Supplier Diversity Champion Meetings; All PGE Officer Assistants (Corp); All PGE Officer Assistants (Utility)

Subject: 2010 Supplier Diversity Results forecast

PRELIMINARY RESULTS - NOT FOR EXTERNAL DISTRIBUTION

Colleagues:

Our preliminary EOY 2010 Supplier Diversity performance forecast indicates we will achieve 33.4% diversity spend. While the spend is subject to audit of sub-contract results, we expect to exceed the very challenging company Supplier Diversity goal of 30%. In addition, every LOB met or exceeded their annual goal as you will see in the attachment below; and equally as impressive is that supplier diversity initiatives also contributed to reducing our total supplier costs by \$180M. Congratulations to all!

If no final adjustments are required, we will have increased our results from 25.6% in 2009 to over 30% in 2010 and have met all of the Minority-owned Business Enterprise (MBE), Women-owned Business Enterprise (WBE) and service Disabled Veteran-owned Business Enterprise (DVBE) goals for the first time, is a tremendous accomplishment. This could not have been achieved without your leadership and your teams' continued focus on their organizational strategies for goal attainment. Our cross-functional LOB Champion team process is working well! Please join me in congratulating all of the LOB Champions and teams that contributed to another outstanding year!

<<2010 Supplier Diversity Results_preliminary.pdf>>

Our teams are now in the process of finalizing the 2011 goal setting process. This year's organizational target setting exercise began in mid-November and we have asked that in addition to setting an aggregate goal that you also forecast your MBE, WBE and DVBE spend. We have asked your Champions to complete LOB goal recommendations by January 15th.

The company goal will be based upon the product and services spend plans for 2011 and a framework of continuous improvement. Once we have agreed on the final 2011 goals they will again be cascaded to the Director level.

The Supplier Diversity and Sourcing teams stand ready to lend any support you may need to finalize your forecasts and Supplier Diversity targets.

We look forward to working with you and your teams in 2011.

Des