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PG&E Establishes Standard With \$2.3 Billion to Diverse Suppliers

Eleventh Straight Year of Record Growth Plays a Role in Benefiting California's Economy

San Francisco, Calif.—Pacific Gas and Electric Co. (PG&E) today announced that it spent \$2.3 billion with diverse suppliers in 2013, accounting for 42.1 percent of its total procurement budget. This total represents an increase of \$265.2 million from 2012.

“Our focus on supplier diversity has given new opportunities to thousands of businesses, allowing them to grow and hire, strengthening California’s economy,” said PG&E President Chris Johns. “It also has led to innovative solutions to the challenges we face as a company, enabling us to better serve our customers and deliver safe, reliable and affordable gas and electric service.”

PG&E has been committed to supporting a diverse supply chain for more than three decades. The company has developed one of the state’s leading supplier diversity programs, which has resulted in an 11-year trend of consecutive year-over-year growth in diverse spending. As part of the overall record spend with diverse suppliers, PG&E set new all-time standards in total spend in these enterprise categories:

- Minority business enterprise (MBE): \$1.5 billion or 27.4 percent of total spend
- Woman business enterprise (WBE): \$686.1 million or 12.5 percent
- Service-disabled veteran business enterprise (DVBE): \$125.5 million or 2.3 percent.

PG&E’s dedication to supplier diversity has played a major role in California’s economic growth. A recent study done by the [Center for Strategic Economic Research](#) showed PG&E contributed \$22.2 billion of economic activity and supported nearly 71,600 jobs in the utility’s service area in 2012. A [story on this survey](#) appeared in *Currents*, PG&E’s electronic newsletter, on Feb. 20.

PG&E also partners with diverse suppliers to help them compete in a constantly changing supply chain through its Technical Assistance Program. This program includes training in signature initiatives to gain a competitive business advantage (such as Diverse Suppliers Go Green and Diverse Suppliers Are Safe), technical assistance partnerships (Small Business Administration business training) and program and educational scholarships to build capacity (UCLA Management Development for Entrepreneurs Program).

PG&E’s Supplier Diversity Department has created dozens of events to support diverse businesses. For example in 2013, PG&E played host to the first “[Boots to Business](#),” a workshop designed to help veteran and service-disabled veteran-owned businesses become successful.

“PG&E is on the forefront of supplier diversity,” said Randolph P. Sinnott of Sinnott, Puebla, Campagne & Curet. [Sinnott’s service-disabled veteran-owned law firm](#) started providing PG&E with litigation services in 2011. “With PG&E’s support, we’ve been introduced to other companies in the utility industry and others, for consideration in their supplier diversity programs. PG&E is a true leader in supplier diversity.”

“PG&E’s progressive program to foster great working relationships with qualified diverse suppliers has greatly benefited GTS,” said Katie Clapp, president of [Gas Transmission Systems, Inc.](#) GTS is a woman-owned business which provides a wide range of engineering and consulting services such as hydrostatic test and replacement services to utilities, gas pipeline owners and operators. “Our growth includes a workforce increase from 40 to 188 employees, resulting in a positive effect on the California economy.”

“PG&E’s support of local California minority-owned businesses like S&S Supplies and Solutions creates a positive ripple effect to the economy of California, California businesses and California residents and employees who work for companies who work for PG&E,” said Tracy Tomkovicz, chief executive officer of [S&S Supplies and Solutions](#), an Asian-American woman-owned tool supplier.

Besides establishing company supplier diversity standards, PG&E’s Supplier Diversity Department received numerous honors in 2013 (partial list):

- For the third consecutive year, [PG&E was named “Corporation of the Year”](#) by the Northern California Minority Supplier Development Council for its consistently strong commitment to minority business development.
- HispanicBusiness.com chose PG&E as one of its [2013 Top-25 Leaders in Supplier Diversity](#).
- The California Black Chamber of Commerce presented PG&E with its [Diversity & Procurement Outreach Award](#) for its commitment to contract with diverse businesses.

[PG&E’s Supplier Diversity website](#) contains more information about the program. The site also provides details on how to become a certified diverse supplier.

About PG&E

Pacific Gas and Electric Company, a subsidiary of [PG&E Corporation](#) (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with more than 20,000 employees, the company delivers some of the nation’s cleanest energy to 15 million people in Northern and Central California. For more information, visit www.pge.com/ and <http://www.pge.com/about/newsroom/>.



What Diverse Suppliers Are Saying About Working With PG&E

“PG&E’s progressive program to foster great working relationships with qualified diverse suppliers has greatly benefited GTS. Our growth includes a workforce increase from 40 to 188 employees, resulting in a positive effect on the California economy. PG&E’s support in recommending our services to other utilities has helped GTS expand to other territories, improving the stability of our company and to ensure we’re around to support PG&E when called upon.”

-- Katie Clapp, President, Gas Transmission Systems, Inc.

Based in Chico, Gas Transmission Systems, Inc. provides a wide range of engineering and consulting services such as hydrostatic test and replacement services to utilities, gas pipeline owners and operators. Founded in 1999, this woman-owned business partially credits their growth because of a partnership with PG&E. GTS was named PG&E’s 2011 Small Business Supplier of the Year and 2012 Gas Operations Supplier of the Year.

“PG&E is on the forefront of supplier diversity. It strives not only to use diverse suppliers, but also to develop them through funding attendance at courses such as the Management Development for Entrepreneurs at UCLA and at ‘meet the supplier’ events. Our participation in their mentorship program has given us direct access to the General Counsel’s office. With PG&E’s support, we’ve been introduced to other companies in the utility industry and others, for consideration in their supplier diversity programs. PG&E is a true leader in supplier diversity.”

-- Randolph P. Sinnott, Sinnott, Puebla, Campagne & Curet

This service-disabled veteran business enterprise started providing commercial litigation expertise to PG&E in 2011. Sinnott, Puebla, Campagne & Curet was inducted into PG&E’s formal Supplier Development Program in 2012. The program exposed the firm to supplier diversity conferences within the utility industry and business matchmaking events with prime PG&E suppliers. As a result, the firm achieved a 185 percent increase in business from 2012 to 2013.

“We’re suppliers and customers of PG&E. We’re true partners. This partnership has allowed S&S to thrive and grow to support more than 200 team members who live and work within PG&E’s service territory. PG&E’s support of local California minority-owned businesses like S&S Supplies and Solutions creates a positive ripple effect to the economy of California, California businesses and California residents and employees who work for companies who work for PG&E.”

-- Tracy Tomkovicz, Chief Executive Officer, S&S Supplies and Solutions

In 2013, PG&E purchased more than 9,000 ergonomically-advantageous battery-powered tools from this Asian-American woman-owned supplier. S&S Supplies and Solutions, based in the San Francisco East Bay suburb of Martinez, provided these tools to PG&E at a savings over conventional pricing. In addition, this tool program is expected to reduce ergonomic injuries.