

# **CHARGE**

## **SUPPLIER DIVERSITY PROGRAM**



**Updated: January 2022**

# TABLE OF CONTENTS

TABLE OF CONTENTS .....	0
POLICY STATEMENT .....	1
2021 SUMMARY .....	2
SUPPLIER DIVERSITY ACTION PLAN .....	3
COMMUNICATION PROGRAM .....	4
SUPPLIER DEVELOPMENT PROCESSES .....	4
TRACKING AND MEASURING SUCCESS .....	5
CONCLUSIONS .....	6

## POLICY STATEMENT

As a Disabled Veteran Owned Business Enterprise (DVBE), which has experienced growth through its DVBE outreach efforts, it is the policy of Charge to:

- Actively promote the procurement of goods, services, or subcontracted opportunities for construction, from small businesses (SBE) and businesses owned by minorities, women, LGBTQ and service-disabled veterans (DBE) in an equally competitive manner.
- Include participation from qualified SBE and DBE on solicitation lists.
- Assure SBE and DBE are solicited whenever they are potential sources.
- Verify valid certifications of SBE and DBE published by the California Public Utilities Commission (CPUC) clearinghouse.
- Where procurement requirements permit, establish delivery schedules and scope of works, which will encourage participation by SBE and DBE.
- Participate in and attend, to the maximum extent possible, local and regional DBE and SBE purchasing/tradeshows fairs.
- Develop strategies to measure goals and tracking for contract activities, including a formal plan, reporting documents and tracking database.
- Goals will be achieved through direct sources and “brokering” will never be an option. Charge will continue to work diligently to highlight to our clients the various “brokers” and the prime contractors that use them to stem this practice and create a fair opportunity for all parties.
- Comply with Military and Veterans Code Section 999.2 to maintain our DVBE status and ensure all potential vendors also are in compliance.

The Procurement Manager is authorized and directed to develop and implement procedures in order to assure that SBE and DBE shall have the maximum practicable opportunity to participate in all procurement transactions.

1/4/2022

---

Mike Robirds, CEO

Date

## 2021 SUMMARY

With the growth experienced by Charge, so has the Supplier Diversity Outreach Program. In 2021, a total diversity and small business spend of 59 percent was achieved by the Company, surpassing our goal by 4 percent. Companies, including Pinnacle Power, Inc., APEX Utility, TW Powerline, WBE Traffic Control, Road Safety, Leatherneck and C&C have benefitted from this program and have enjoyed successful growth as a result of Charge supplier diversity outreach efforts. An increase in spend was achieved due to additional diverse companies being added to our vendor list.

*See page 6 for details.*

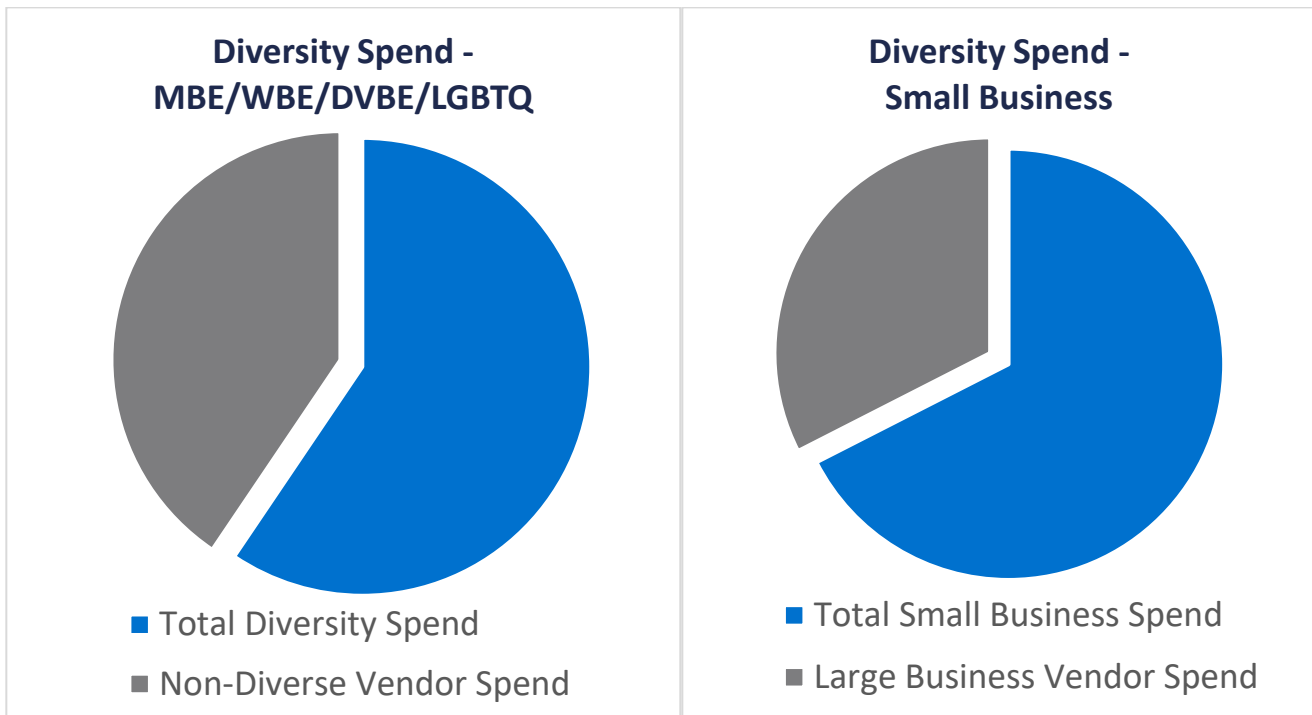


Table 1	Percentage	Dollar Value
Charge 2021 DBE spend: Certified minority, woman owned, DVBE, and/or LGBTQ businesses	59%	\$31,159,043
Charge 2021 SBE spend: Certified small businesses	67%	\$35,371,475

## SUPPLIER DIVERSITY ACTION PLAN

To maximize the use of diverse suppliers, Charge has identified the following primary sources of procurement efforts as well as the Company’s contacts responsible for the various categories.

Procurement Type Primary	Contact	Secondary Contact
Concrete saw cutting and core drilling	Procurement Department	Procurement Manager
Trucking services	Procurement Department	Procurement Manager
Backfill material (sand/gravel)	Procurement Department	Procurement Manager
Pipe material and supplies	Procurement Department	Procurement Manager
Equipment supply	Director, Corporate Assets	Procurement Department
Traffic Control	Procurement Department	Procurement Manager
Electrical subcontractors	Procurement Department	Procurement Manager
Concrete and asphalt restoration	Procurement Department	Procurement Manager
Conductor, Transformer and Pole installation	Procurement Department	Procurement Manager
Other	Procurement Department	Procurement Manager

The procurement types above will facilitate reaching the goals established in Table 2 (page 5) of the Tracking and Measuring Success section. All procurement will be performed on the basis of merit and include such factors as safety record and quality. Charge will identify and offer opportunities to target groups so they can compete for business. Key steps in identifying and increasing opportunities for the target groups include:

- Continued review of procurement processes to ensure they remain inclusive and open.
- Celebrate and communicate success with internal and external stakeholders.
- Recognize employees for their efforts.
- Identify types of goods and services that can be bought from target groups over and above those identified in Table 1.
- Provide procurement opportunity notices at regional and local outreach activities.
- Leverage the Company’s DVBE status to continue to attend outreach events and identify new partners.
- Utilize ISNetwork and the CPUC clearinghouse database to identify additional vendors when looking to expand our supplier base.
- With the visibility Charge maintains due to our leadership in the Gold Shovel Program, use this involvement to identify new vendors when participating in industry events

## COMMUNICATION PROGRAM

To promote the supplier diversity program and help reach the goals identified above, consistent communication will be required. This includes Charge websites, emails, bulletin boards, and other group meetings to demonstrate the progress. The communication will focus on:

- Leadership commitment from the top of the organization
- Goals of the Supplier Diversity Outreach Program
- Steps to implementation and individual roles and contact details
- Benefits to the organization in engaging with a broader supplier base
- How to reach out to the target groups
- Monthly and/or quarterly reports on the status

External communication is similarly important. The target audience will fall into three categories:

1. Clients
2. Small, minority, women and LGBTQ-owned, as well as DVBE vendors
3. Non-target group suppliers

It is important to note that no external communication will alienate or detract from business currently done with non-target group suppliers. Other communications that will take place include the purpose of our program, how the goals will be achieved, and how to measure results.

## SUPPLIER DEVELOPMENT PROCESSES

Charge recognizes that supplier development is an important element of the supplier diversity efforts due to many minority-owned, women-owned, LGBTQ-owned and service-disabled veteran-owned businesses are generally small in size and capacity. With the fresh perspective Charge has, due primarily to our experience of growth as a DVBE contractor, the Company can certainly support small business development. The following items are ways the Company will assist in supporting and developing growth:

- Financially through favorable payment terms ranging from COD to NET15.
- Project management and estimating mentoring; assist in providing new ways to utilize technology to provide daily reporting or other pertinent data. This includes sharing Company templates and/or applications the Company has developed.
- Support in obtaining DVBE certifications due to our familiarity with the DGS process.
- Help establish in ISN and, through our Contractor Operator membership access, go a step further and help qualify for certification; help obtain certification from CPUC.
- Include in employee onboarding and ongoing training programs to ensure their skills and knowledge are in alignment with our high standards in safety and quality
- Keep tabs on performance and work with operations to identify and coach them on ways to be more successful.
- Support their accounting practices to follow GAAP while also facilitating prompt payment.
- Our practices for supplier diversity outreach extend across all sectors of work, including Federal programs.

## TRACKING AND MEASURING SUCCESS

The Controls Department is the designated person responsible for reporting supplier diversity results. Identifying and tracking the targets shown in Table 2 strengthens commitments and helps assess progress, providing accountability and recognition throughout the organization. It is the responsibility of the Primary and Secondary Contacts shown in Table 1 to reach these goals.

Table 2: Diversity Group	DBE	SBE	TOTAL
2018 Actual	44%	14%	52%
2019 Actual	46%	12%	51%
2020 Actual	56.5%	19.2%	59%
2021 Actual	59%	67%	59%
2022 Goal	50%	25%	55%

The Company’s accounting software, Foundation, will be utilized to facilitate tracking of the goals. For ease of reporting, the “Secondary” Vendor Code Field is used to track the particular code.

The status will be reported on a quarterly basis to the executive management team. The following codes will be used:

Table 3: Minority Code	
003 Asian Pacific American Male	012 Multi-Status/Other Female
004 Asian Pacific Female	013 Small Business Enterprise
05 Native American Male	014 Service-Disabled Business
006 Native American Female	016 Handicapped
06 Native American Female	017 Gay, Lesbian, Bisexual Transgender – Male
007 Hispanic American Male	018 Gay, Lesbian, Bisexual Transgender – Female
008 Hispanic American Female	
009 Caucasian Male	
010 Caucasian Female	
011 Multi-Status/Other Male	

## CONCLUSIONS

Charge recognizes the importance of small businesses in our local economy. Continued support of such businesses will allow the Company to continue to create opportunities for others and convey our vision of “Quality Construction by Design” through our mentoring program. Support of this program resides at all levels within the organization and the Company looks forward to continuing to share the successes of this endeavor. The following examples include supplier development initiatives we have undertaken with our small and diverse suppliers, with our newest additions being Leatherneck and C&C Utility:

### Pinnacle Power, Inc.

- Facilitated introduction with our bank, which enabled Pinnacle to secure new bank accounts, as well as lines of credit. The lines of credit supported their acquisition of new equipment, which reduced their monthly operating costs.
- Secured a partnership with American Express so a fee is not charged to accept American Express payments. This streamlined their processing of invoices, lowered their costs, and allowed them to receive payments more quickly and securely through the AMEX electronic process.
- Helped to achieve their Gold Shovel certification by supporting them with documentation and direction on safe excavation processes.

### APEX Utility

- Committed that they be our primary supplier and provided favorable payment terms to ensure positive cash flow.
- Coached and mentored their ownership group on sustainable growth that will allow them to achieve long-term success.

### TW Powerline

- Facilitated introductions with our bank representative and insurance broker to ensure they have the best possible representation as they grow into performing more PG&E work.

### WBE Traffic Control

- Provided favorable payment terms at start-up to ensure positive cash flow.
- Established multi-year agreement that allowed the company owners to understand our commitment to use their services for traffic control.

### Road Safety

- Dedicated all copper service program work to Road Safety to support their growth, as well as provided accelerated payment options.

### Leatherneck

- Veteran-owned startup company we are mentoring through the process of becoming a PG&E Diverse Supplier.

### C&C Utility

- Electric and civil work experience and exposure through Charge projects/programs, including North Complex Fire Rebuild, VPI Electric Vehicle (EV) Infrastructure and Mhobilehome Park Conversions.