

CHARGE

SUPPLIER DIVERSITY PROGRAM



Updated: January 2023

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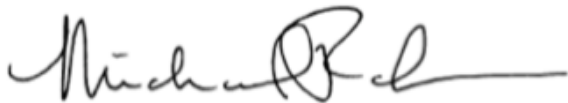
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POLICY STATEMENT

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



2/6/2023

Mike Robirds, CEO

Date

2022 SUMMARY

With the growth experienced by the Charge companies, including Accu-Bore Directional [ABD], Veteran Power Infrastructure [VPI], Veteran Pipeline Construction [VPC], and Extreme Excavating Company [EXC], so has the Supplier Diversity Outreach Program. In 2022, a total diverse and small business spend of 55 percent, with a total value of more than \$71M, was achieved. In attaining this milestone, Charge reached our targeted goal for the year. Companies, including APEX Utility, Machado & Sons, Leatherneck Construction and C&C Utility Inc. along with several reputable traffic control companies, such as City Rise Safety, WBE Traffic Control and AP Traffic Services have benefitted from this program and have enjoyed successful growth as a result of the Charge supplier diversity outreach efforts.

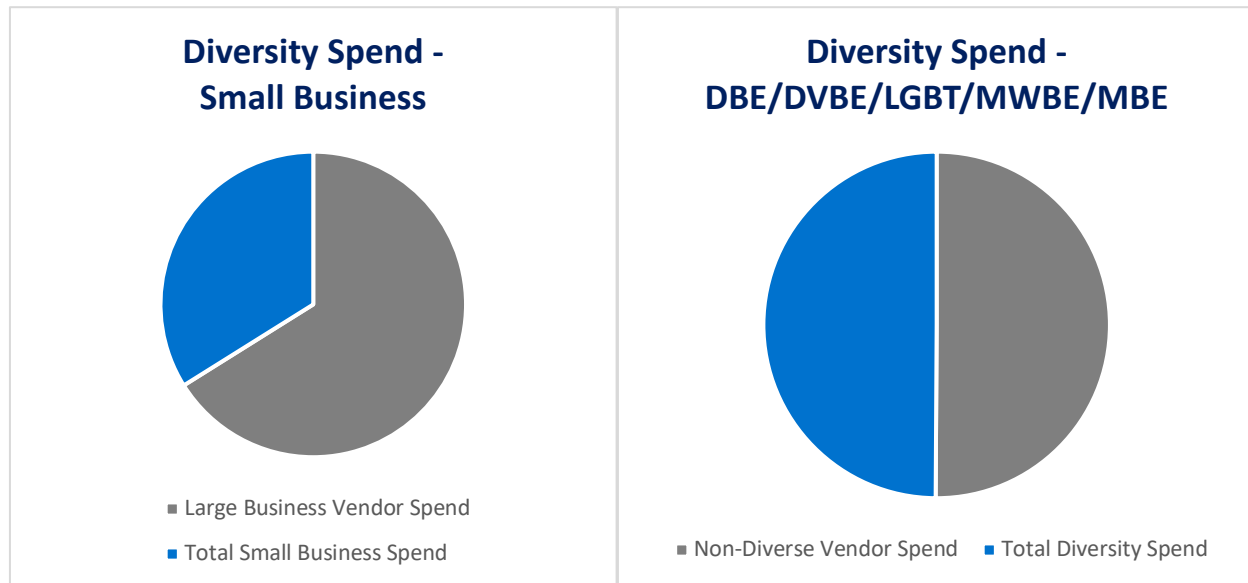


Table 1	Percentage	Dollar Value
Charge 2022 DBE spend: Certified minority, woman owned, DVBE, and/or LGBTQ businesses	50%	\$44,163,390
Charge 2022 SBE spend: Certified small businesses	34%	\$27,060,863
Charge 2021 DBE spend: Certified minority, woman owned, DVBE, and/or LGBTQ businesses	59%	\$31,159,043
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 utility construction 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

Table 2

The procurement types shown in the table above will facilitate reaching the goals established in Table 3 (page 5) of the Tracking and Measuring Success section. All procurement will be performed based on merit and include such factors as safety record and quality. Charge will identify and offer opportunities to target groups so that 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 2.
- 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 ISNetworld 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 Common Ground Alliance, 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
- Quarterly reports to identify progress towards the established annual goals

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:

SUPPLIER DEVELOPMENT PROCESSES, ctd

- Financially through favorable payment terms ranging from NET10 to NET45.
- 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 or utilizes.
- Support in obtaining DVBE certifications due to our familiarity with the DGS process.
- Help establish an account in ISN and, through our Contractor Operator membership access, go a step further and help qualify for certification.
- Assist new vendors in obtaining certification from the 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 organization responsible for reporting supplier diversity results. Identifying and tracking the targets shown in Table 3 strengthens commitments and helps assess progress, providing accountability and recognition throughout the organization. It is the responsibility of the Primary and Secondary Contacts shown above in Table 2 to reach these goals.

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 Actual	50%	34%	55%
2023 Goal	50%	30%	55%

Table 3

The Company's accounting software 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:

Minority Code	
003 Asian Pacific American Male	012 Multi-Status/Other Female
004 Asian Pacific Female	013 Small Business Enterprise
005 Native American Male	014 Service-Disabled Business
006 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	

Table 4

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.

As part of our continued outreach and support for small businesses, Charge has implemented a Diverse Supplier Spotlight on its website to showcase the partnership with its diverse suppliers. The first spotlight was on Apex Underground Supply, demonstrating and overcoming the ongoing supply chain crisis, as well their focus on understanding their client’s needs. The entire Charge community looks forward to continuing to highlight the great successes of our key diverse partners in 2023 and beyond so that we can continue to use this as a way to recruit new businesses that are able to participate in our program in the future.