

**2024 California Public Utilities Commission GO 156:
A Study to Quantify the Value of GO 156 Supplier Diversity**

Executive Summary

California Public Utilities Commission’s (CPUC) staff conducted a survey to quantify the contributions of General Order (GO) 156 Supplier Diversity Program to California economy and the value to diverse business enterprises. More than 5,100 certified diverse suppliers from the Supplier Clearinghouse database were invited to participate in an online study of 28 questions in July 2024¹. The study received 224 responses – representing a 4.4 percent response rate. Here’s what we learned.

Key Findings

1. Diverse suppliers are job creators in California. More than 60% of respondents added full-time and 44% added part-time employees.
2. Diverse suppliers successfully compete for contracts. More than 42% of respondents were awarded a contract. Contracts were of all sizes, with 30% awarded contracts under \$100,000 and 11% winning contracts over \$10 million.
3. Diverse suppliers are growing their businesses. Forty-three percent of respondents indicated company revenue increased during the years 2020-2023.
4. Diverse suppliers contribute to the well-being of their communities. Seventy-four percent of respondents donated to non-profit organizations.
5. Diverse suppliers are not fully leveraging the resources through GO 156. Seventy-three percent of diverse suppliers did not have a supplier diversity program and 92% of respondents have never participated in utility capacity building and technical assistance programs.

Diverse suppliers play a significant role in enhancing the GO 156 Supplier Diversity Program, as well as benefiting communities throughout California. There is, however, an opportunity to amplify the value of diverse businesses within GO 156 by expanding supplier diversity initiatives, including subcontracting and technical assistance programs.

¹ The survey requested information from the years 2023 and 2020-2023.

***2024 California Public Utilities
Commission GO 156:***

***A Study to Quantify the Value of Supplier
Diversity***

INTRODUCTION

The supplier diversity initiative was established over thirty-six years ago following the enactment of various statutes by the California legislature aimed at promoting supplier diversity. In response, the California Public Utilities Commission (CPUC) implemented General Order (GO) 156, which seeks to ensure that a significant share of total utility procurement for products and services is allocated to women, minority, disabled veteran, lesbian, gay, bisexual, and/or transgender, and persons with disabilities business enterprises, collectively referred to as diverse business enterprises.

In the subsequent years, the supplier diversity program evolved into a vital initiative for fostering economic development and generating employment opportunities within diverse communities throughout California, and it has also provided a model for similar programs to be adopted by other states. In 2023, utilities spent \$12.9 billion, or 28.8 percent of their total procurement with diverse suppliers through participation in the CPUC's supplier diversity program.

The current GO 156, effective since April 2022, establishes the framework for the CPUC's Supplier Diversity Program. This program is designed to promote and monitor the supplier diversity initiatives of utilities, Community Choice Aggregators (CCAs), and other covered entities, while also managing a certification clearinghouse known as the Supplier Clearinghouse. GO 156 encourages participating utilities and covered entities to aim for procurement goals of 15 percent from Minority Business Enterprises (MBEs), 5 percent from Women Business Enterprises (WBEs), 1.5 percent from Disabled Veteran Business Enterprises (DVBES), and 1.5 percent from Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBEs). There is currently no goal for Persons with Disabilities Business Enterprises (PDBEs).

GO 156 has revolutionized the contracting processes for California's largest utility, communication, and other participating entities with diverse business enterprises. To assess the significance of GO 156 diverse business enterprises, the CPUC staff conducted an online survey with diverse suppliers in July 2024. This report presents the findings of that survey.

METHODOLOGY

The CPUC's supplier diversity staff conducted a survey to quantify the diverse business enterprises' value to General Order (GO) 156 Program. More than 5,100 certified diverse suppliers from the Supplier Clearinghouse database were invited to participate in an online study of 28 questions in July 2024². The study received 224 responses equating to a 4.4%

² The survey requested information from the years 2023 and 2020-2023.

response rate. Survey respondents were representatively distributed across the GO 156 certification categories.

RESPONDENT PROFILE

Survey participants engaged in business activities throughout the state, with 23% operating in every county in California. Most of these participants conducted business in Los Angeles County, accounting for 36%. Over 90% of the submitted responses came from individuals holding the titles of "CEO/President" (57%) or "Owner" (33%).

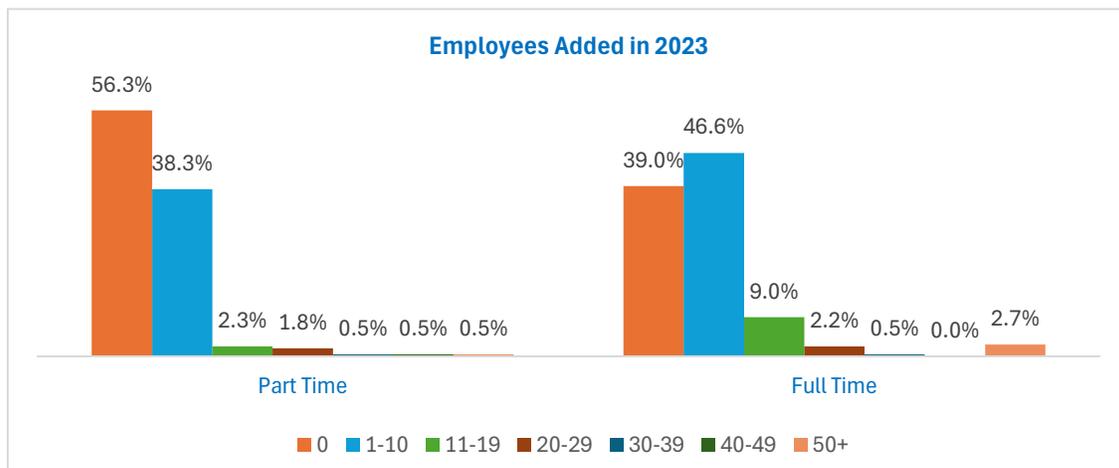
Respondents worked with several utility companies: 63% worked with energy utilities; 34% with water utilities; and 18% with telecommunications/broadband/cable companies. Forty-two percent of respondents operated under the "Professional Services" classification and 12% under the "Construction" classification.

The responding companies earned gross receipts in California as follows: 42% of respondents earned "under \$500,000" and 28% earned between "\$1 - \$4 million" in total California gross receipts. Thirty-four percent earned "under \$500,000" and 20% earned between "\$1 - \$4 million" in total California gross receipts during the last three years (2020 – 2023). More than 75% earned under \$500,000 in California gross receipts from working with utility companies.

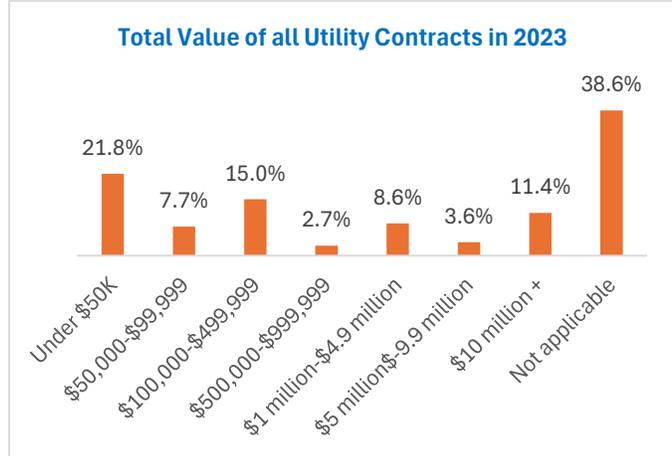
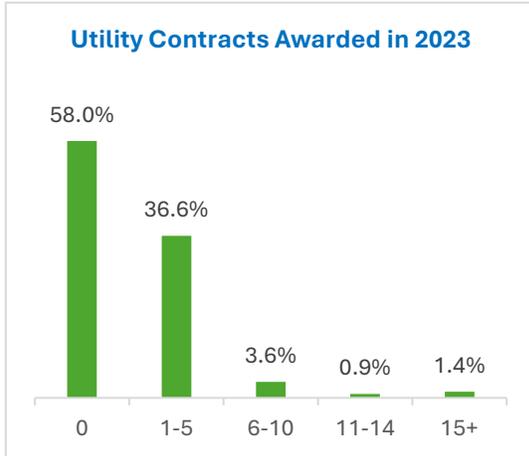
More than 84% of respondents employed between 1-50 California employees; 6% employed 51-99; 5% employed zero employees; and 3% employed 100-199 employees.

KEY FINDINGS

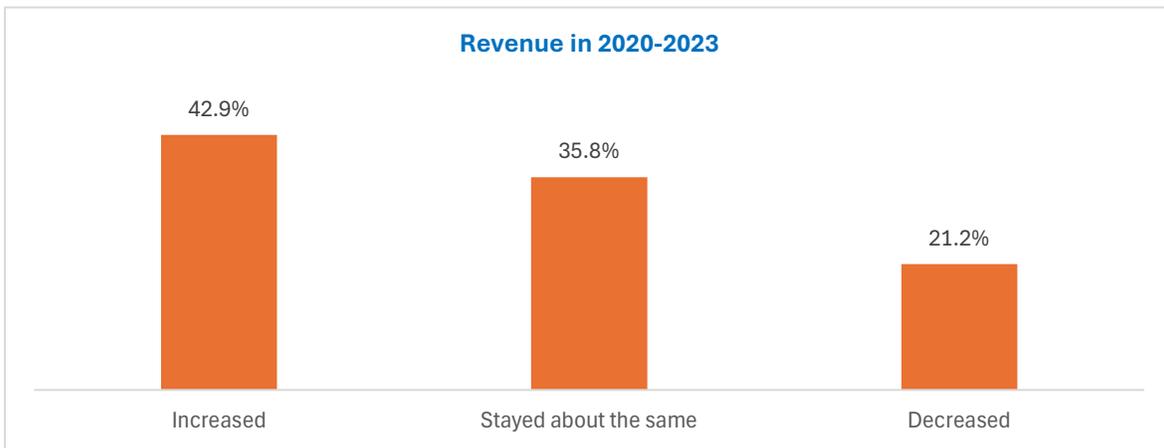
1. Diverse suppliers are job creators in California. More than 44% of respondents added part-time and 60% added full-time employees in 2023. New jobs result in increased tax revenues for the state and economic growth for individuals and communities.



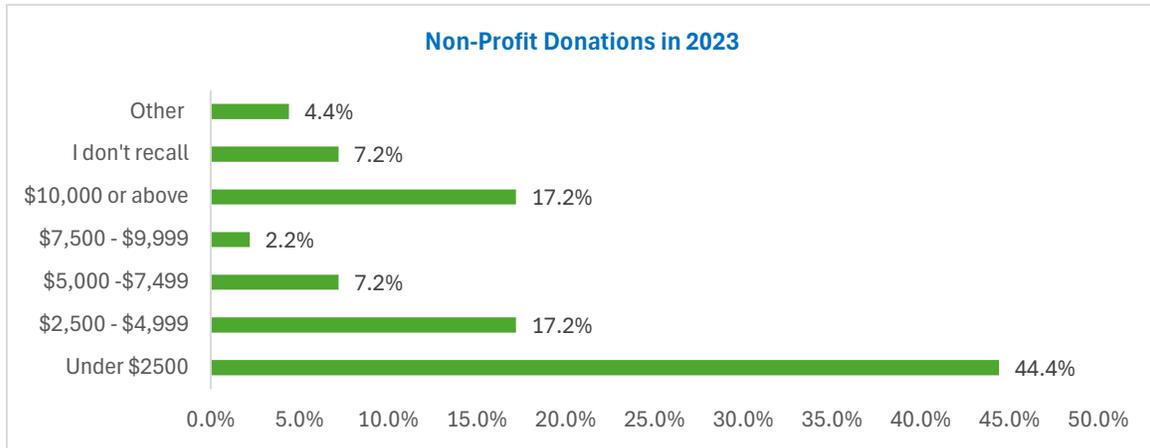
2. Diverse suppliers successfully compete for contracts. More than 42% of respondents were awarded a contract. Contracts were of all sizes, with 30% awarded contracts under \$100,000 and 11% winning contracts over \$10 million. Competition during the bidding process results in lower prices and benefits to utilities and ratepayers.



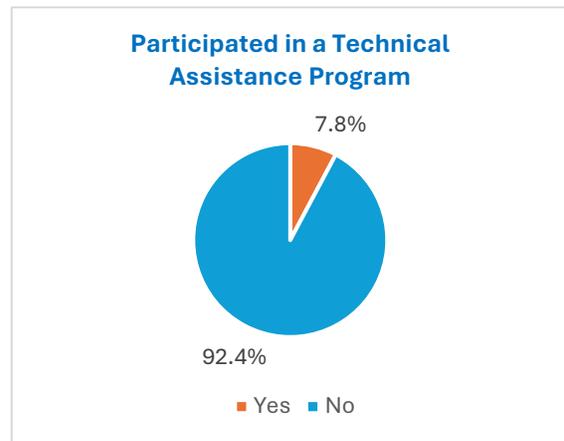
3. Diverse suppliers are growing their businesses. Forty-three percent of respondents indicated company revenue increased during the years 2020-2023. As revenues expand, diverse suppliers build wealth and increase the viability of their businesses.



4. Diverse suppliers contribute to the well-being of their communities. In 2023, 74% of those surveyed indicated that they made donations to non-profit organizations, with 70% of them reporting contributions of \$9,999 or less. Such investments in the community not only provide financial support but also enhance the reputation of businesses.



5. Diverse suppliers are not fully leveraging the resources available through GO 156. The research indicated that 73% of diverse suppliers lack a supplier diversity (subcontracting) program, while 92% of those surveyed have never engaged in utility capacity building and technical assistance initiatives. Such programs enhance the participation of diverse suppliers in GO 156, thereby increasing the overall value of the initiative.



DISCUSSION

The findings indicate that a variety of suppliers are generating employment opportunities, effectively vying for utility contracts, expanding their enterprises, and contributing to their local communities. This suggests that GO 156 provides benefits not only to the economic sustainability of the diverse suppliers involved but also to the broader California economy and its communities statewide.

The results also show that diverse suppliers are underutilizing GO 156 resources. There is an opportunity to increase the diverse business value to GO 156 through supplier diversity

(subcontracting) and technical assistance programs. Supplier diversity programs encourage prime contractors to utilize diverse subcontractors and technical assistance programs to provide education and training to build business capacity. These programs are key drivers of GO 156.

CONCLUSION

The CPUC has promoted and monitored the diversification of utilities' supply chains for more than 36 years through GO 156 and the Supplier Diversity Program. It is more important than ever for the CPUC to be fully invested in its supplier diversity program to overcome challenges and build on its record of success.

Going forward, the CPUC should continue to focus on:

- encouraging utilities, CCAs, and other participating entities to invest in resources in support of GO 156.
- supporting the continued growth and adoption of GO 156 resources to increase participation in the program.
- evaluating and measuring the benefits of the GO 156 program for the involved entities, ratepayers, and the California economy.

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1. Diverse suppliers are job creators in California. More than 60% of respondents added full-time and 44% added part-time employees.
2. Diverse suppliers successfully compete for contracts. More than 42% of respondents were awarded a contract from a utility and 10% received their first contract from a utility in 2023.
3. Diverse suppliers are growing their businesses. Forty-three percent of respondents indicated company revenue increased during the years 2020-2023.
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APPENDIX

Q1

Please write in the city name and zip code in which your company is headquartered:		
	Response Percent	Response Count
Upstate California	0.9%	2
Sacramento Region	6.9%	15
Bay Area	21.3%	46
Central Valley	4.2%	9
Central Sierra	0.5%	1
Central Coast	3.7%	8
Los Angeles County	19.9%	43
Orange County	9.7%	21
Inland Empire	11.5%	25
San Diego/Imperial	18.1%	39
	<i>answered question</i>	216
	<i>skipped question</i>	8

Q2

In what CA county/counties does your organization do business?

Answer Options	Response Percent	Response Count
All of the Above	23.4%	52
Alpine County	6.3%	14
Amador County	8.6%	19
Butte County	8.6%	19
Calaveras County	7.2%	16
Colusa County	7.2%	16
Contra Costa County	15.8%	35
Del Norte County	5.4%	12
El Dorado County	8.1%	18
Fresno County	14.0%	31
Glenn County	2.4%	8
Humboldt County	5.1%	17
Imperial County	9.5%	21
Inyo County	8.1%	18
Kern County	14.0%	31
Kings County	9.9%	22
Lake County	7.2%	16
Lassen County	5.4%	12
Los Angeles County	36.5%	81
Madera County	7.7%	17
Marin County	12.1%	27
Mariposa County	9.5%	21
Mendocino County	8.6%	19

Merced County	10.4%	23
Modoc County	4.1%	9
Mono County	6.3%	14
Monterey County	9.9%	28
Napa County	11.3%	25
Nevada County	7.7%	17
Orange County	22.1%	22
Placer County	9.9%	19
Plumas County	5.9%	13
Riverside County	17.6%	39
Sacramento County	18.0%	40
San Benito County	4.5%	10
San Bernardino County	18.0%	40
San Diego County	30.2%	67
San Francisco County	16.7%	37
San Joaquin County	14.0%	31
San Luis Obispo County	12.6%	28
San Mateo County	14.0%	31
Santa Barbara County	13.5%	30
Santa Clara County	16.2%	36
Santa Cruz County	10.8%	24
Shasta County	6.3%	14
Sierra County	6.8%	15
Siskiyou County	4.5%	10
Solano County	9.0%	20
Sonoma County	10.8%	24
Stanislaus County	8.1%	18
Sutter County	6.3%	14

Tehama County	5.9%	13
Trinity County	5.0%	11
Tulare County	9.5%	21
Tuolumne County	6.3%	14
Ventura County	12.6%	28
Yolo County	6.8%	15
Yuba County	6.8%	15
<i>answered question</i>		222
<i>skipped question</i>		2

Q3

What work title best describes you?:		
Answer Options	Response Percent	Response Count
Owner	56.9%	119
Director	4.3%	9
Manager	5.7%	12
CEO/President	33.0%	69
<i>answered question</i>		209
<i>skipped question</i>		15

Q4

What type of utility do you work with (select all that apply)?

Answer Options	Response Percent	Response Count
Water utility	33.8%	75
Energy utility	63.5%	141
Telecommunication / broadband / cable company	18.5%	41
Community Choice Aggregator	9.5%	21
Energy Service Provider	21.6%	48
Not applicable (did not work with a utility)	27.0%	60
	<i>answered question</i>	222
	<i>skipped question</i>	2

Q5

What is the main industry classification which your company operates in (i.e., SIC, NAICS code)?

Answer Options	Response Percent	Response Count
Agriculture	0.0%	0
Mining	0.0%	0
Utilities	4.5%	10
Construction	12.6%	28
Wholesale trade	4.5%	10
Retail trade	2.2%	5
Transportation and warehousing	3.1%	7
Information	2.2%	5
Finance and insurance	0.9%	2
Real estate and rental and leasing	0.0%	0
Professional, scientific & technical services	42.2%	94
Management of companies and enterprise	0.9%	2
Administrative and support in waste	0.0%	0
Educational services	0.9%	2
Health care and social assistance	0.5%	1
Arts entertainment and recreation	0.0%	0
Accommodation and food services	0.5%	1
Public administration	0.0%	0
Other services	25.1%	56
<i>answered question</i>		223
<i>skipped question</i>		1

Q6

What is the certification for your company (select all that apply)?		
Answer Options	Response Percent	Response Count
Minority Business Enterprise (MBE)	58.6%	130
Women Business Enterprise (WBE)	57.7%	128
Women Minority Business Enterprise (MWBE)	12.6%	28
Disabled Veteran Business Enterprise (DVBE)	1.4%	3
LGBT Business Enterprise (LGBTBE)	0.9%	3
Person with Disabilities Enterprise (PDBE)	1.4%	3
Small Business Administration (8a)	15.3%	34
<i>answered question</i>		222
<i>skipped question</i>		2

Q7

How much did your company earn in CA state gross receipts in 2023?		
Answer Options	Response Percent	Response Count
Under \$500,000	42.3%	94
\$500,000 - \$999,999	9.9%	22
\$1 million - \$4 million	27.9%	62
\$5 million - \$9 million	10.8%	24
\$10 million - \$19 million	4.1%	9
\$20 million - \$49 million	3.2%	7
\$50 million - \$99 million	1.8%	4
\$100 million +	0.0%	0
	<i>answered question</i>	222
	<i>skipped question</i>	2

Q8

How much did your company earn in CA state gross receipts during the years 2020-2023?

Answer Options	Response Percent	Response Count
Under \$500,000	33.8%	75
\$500,000 - \$999,999	16.7%	37
\$1 million - \$4 million	19.8%	44
\$5 million - \$9 million	13.1%	29
\$10 million - \$19 million	8.6%	19
\$20 million - \$49 million	5.0%	11
\$50 million - \$99 million	2.3%	5
\$100 million +	0.9%	2
	<i>answered question</i>	222
	<i>skipped question</i>	2

Q9

Based on the total CA state gross receipts in 2023, how much of those gross receipts were earned from working with utility companies?

Answer Options	Response Percent	Response Count
Under \$500,000	75.2%	164
\$500,000 - \$999,999	5.9%	13
\$1 million - \$4 million	10.6%	23
\$5 million - \$9 million	4.6%	10
\$10 million - \$19 million	1.8%	4
\$20 million - \$49 million	1.8%	4
\$50 million - \$99 million	0.0%	0
\$100 million +	0.0%	0
	<i>answered question</i>	218
	<i>skipped question</i>	6

Q10

How much did your company contribute to CA state income tax in 2023?		
Answer Options	Response Percent	Response Count
Under \$50,000	62.4%	133
\$50,000 - \$99,999	16.9%	36
\$100,000 - \$499,999	15.9%	34
\$500,000 - \$999,999	2.4%	5
\$1 million - \$4.9 million	2.4%	5
\$5 million - \$9.9 million	0.0%	0
\$10 million +	0.0%	0
<i>answered question</i>		213
<i>skipped question</i>		11

Q11

How much did your company contribute to CA state income tax during the years 2020-2023?

Answer Options	Response Percent	Response Count
Under \$250,000	75.6%	161
\$250,000 - \$500,000	8.5%	18
\$500,000 - \$999,999	10.8%	23
\$1 million - \$4 million	4.2%	9
\$5 million - \$9 million	0.9%	2
\$10 million - \$19 million	0.0%	0
\$20 million - \$49 million	0.0%	0
\$50 million - \$99 million	0.0%	0
\$100 million +	0.0%	0
	<i>answered question</i>	213
	<i>skipped question</i>	11

Q12

How many employees in CA does your company currently have?		
Answer Options	Response Percent	Response Count
0	4.9%	11
1-50	84.3%	188
51-99	6.3%	14
100-199	3.1%	7
200-299	0.5%	1
300-399	0.9%	2
400-499	0.0%	0
500-999	0.0%	0
1000+	0.0%	0
<i>answered question</i>		223
<i>skipped question</i>		1

Q13

How many full-time employees in CA did your company add in 2023?		
Answer Options	Response Percent	Response Count
0	39.0%	87
1-10	46.6%	104
11-19	9.0%	20
20-29	2.2%	5
30-39	0.5%	1
40-49	0.0%	0
50 +	2.7%	6
<i>answered question</i>		223
<i>skipped question</i>		1

Q14

How many part-time employees in CA did your company add in 2023?		
Answer Options	Response Percent	Response Count
0	56.3%	125
1-10	38.3%	85
11-19	2.3%	5
20-29	1.8%	4
30-39	0.5%	1
40-49	0.5%	1
50 +	0.5%	1
<i>answered question</i>		222
<i>skipped question</i>		2

Q15

How many utility contracts were awarded to your company in 2023?		
Answer Options	Response Percent	Response Count
0	57.5%	127
1-5	36.7%	81
6-10	3.6%	8
11-14	0.9%	2
15+	1.4%	3
<i>answered question</i>		221
<i>skipped question</i>		3

Q16

If awarded a utility contract in 2023, was this your company's first contract with the utility?

Answer Options	Response Percent	Response Count
Yes	10.45%	23
No	37.73%	83
Not Applicable	51.8%	114
	<i>answered question</i>	220
	<i>skipped question</i>	4

Q17

What is the total dollar value of all utility contracts awarded in 2023?		
Answer Options	Response Percent	Response Count
Under \$50,000	21.8%	48
\$50,000 - \$99,999	7.7%	17
\$100,000 - \$499,999	15.0%	33
\$500,000 - \$999,999	2.7%	6
\$1 million - \$4.9 million	8.6%	19
\$5 million - \$9.9 million	3.6%	8
\$10 million +	11.4%	34
Not Applicable	38.6%	85
<i>answered question</i>		220
<i>skipped question</i>		4

Q18

During the years 2020-2023, has your company revenue:

Answer Options	Response Percent	Response Count
Increased	43.0%	95
Stayed about the same	35.8%	79
Decreased	21.3%	47
	<i>answered question</i>	221
	<i>skipped question</i>	3

Q19

Have you ever participated in a utility's capacity building and technical assistance program?

Answer Options	Response Percent	Response Count
Yes	7.6%	17
No	92.4%	207
	<i>answered question</i>	224
	<i>skipped question</i>	0

Q20

Does your company donate to non-profit organizations?		
Answer Options	Response Percent	Response Count
Yes	74.2%	164
No	25.8%	57
<i>answered question</i>		221
<i>skipped question</i>		3

Q21

(IF YES to Q20) How much money did your company donate to non-profit organizations in 2023?

Answer Options	Response Percent	Response Count
Other (please specify)	4.4%	8
Under \$2,500	44.4%	80
\$2,500 - \$4,999	17.2%	31
\$5,000 - \$7,499	7.2%	4
\$7,500 - \$9,999	2.2%	4
\$10,000 or above	17.2%	31
I don't recall	7.2%	13
	<i>answered question</i>	180
	<i>skipped question</i>	44

Q22

Does your company belong to a business/trade organization?		
Answer Options	Response Percent	Response Count
Yes	55.7%	123
No	44.3%	98
<i>answered question</i>		221
<i>skipped question</i>		3

Q23

(IF YES to Q22) Please select the business/trade organizations your company is a member: (select all that apply):

Answer Options	Response Percent	Response Count
National Minority Supplier Diversity Council (NMSDC)	27.3%	36
Women's Business Enterprise National Council (WBENC)	23.5%	31
National Gay and Lesbian Chamber of Commerce (NGLCC)	9.9%	13
Disability: IN	2.7%	3
Chamber of Commerce	33.3%	44
Other	44.0%	58
<i>answered question</i>		132
<i>skipped question</i>		92

Q24

(IF YES to Q23) How much money did your company spend on membership dues for business/trade organizations in 2023?

Answer Options	Response Percent	Response Count
\$0	19.5	32
Under \$2,500	56.7%	20
\$2,500 - \$4,999	12.2%	4
\$5,000 - \$7,499	2.4%	3
\$7,500 - \$9,999	1.8%	7
\$10,000 or above	4.2%	3
Other (please specify)	1.2%	2
I don't recall	1.8%	3
	<i>answered question</i>	164
	<i>skipped question</i>	60

Q25

(IF YES to Q24) Did your business/trade association membership provide any of the following? (select all that apply)

Answer Options	Response Percent	Response Count
Education/Training	50.3%	74
Contract Opportunities	20.4%	30
Mentorship programs	23.1%	34
Networking Opportunities	64.6%	95
None	20.4%	95
Other	5.4%	8
<i>answered question</i>		147
<i>skipped question</i>		77

Q26

Does your company have a supplier diversity program?

Answer Options	Response Percent	Response Count
Yes	26.6%	59
No	73.4%	163
	answered question	222
	skipped question	2

Q27

(IF YES to Q26) How many contracts were awarded to diverse suppliers in 2023?

Answer Options	Response Percent	Response Count
0	59.22%	61
1- 5	28.1%	29
6-10	9.7%	10
11-14	0.0%	0
15+	2.9%	3
	<i>answered question</i>	103
	<i>skipped question</i>	121

Q28

(IF YES to Q27) What is the total dollar value of contracts awarded to diverse suppliers in 2023?

Answer Options	Response Percent	Response Count
Under \$50,000	55.8%	43
\$50,000 - \$99,999	14.3%	11
\$100,000 - \$499,999	14.3%	11
\$500,000 - \$999,999	6.5%	5
\$1 million - \$4.9 million	5.2%	4
\$5 million - \$9.9 million	2.6%	2
\$10 million +	1.3%	1
	<i>answered question</i>	147
	<i>skipped question</i>	77