

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Review and Potentially Amend General Order 156, to Consider Other Measures to Promote the Economic Efficiencies of an Expanded Supplier Base, and to Examine the Composition of the Utilities' Workforce

**FILED**  
**PUBLIC UTILITIES COMMISSION**  
**JULY 30, 2009**  
**SAN FRANCISCO, CALIFORNIA**  
**RULEMAKING 09-07-027**

**THE CALIFORNIA ASIAN PACIFIC CHAMBERS OF COMMERCE  
OPENING COMMENTS ON MAY 5, 2010, WORKSHOP STAFF REPORT**



**FILED**

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Dated: June 10, 2010

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Review and Potentially Amend General Order 156, to Consider Other Measures to Promote the Economic Efficiencies of an Expanded Supplier Base, and to Examine the Composition of the Utilities' Workforce

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**THE CALIFORNIA ASIAN PACIFIC CHAMBERS OF COMMERCE:  
COMMENTS ON MAY 5, 2010, WORKSHOP STAFF REPORT**

The California Asian Pacific Chamber of Commerce (“CAPCC”) and its Coalition partners (collectively, “CAPCC Coalition”)<sup>1</sup> are pleased to submit the following comments to the Utility Supplier Diversity Program Staff Report (“Staff Report”) on the May 5, 2010, Workshop on Underutilized Areas.

**Comments**

The CAPCC supports several of Staff’s recommendations, including conducting a special workshop on Unbundling and involving the Utilities’ Supplier Diversity staff in the RFP process. The CAPCC advises, however, that Recommendation C must be strengthened to require the Utilities do more than simply “encourage” their prime contractors to become active participants in the supplier diversity chain. This is already required under General Order 156 (“GO 156”). (See GO 156, § 6.3.4.) Rather, the CAPCC asserts Recommendation C should be strengthened to require the Utilities to follow the lead of Sempra Utilities, and require their prime contractors to procure up to 30% of their procurement from diverse suppliers. (See Staff Report, p. 12.) Alternatively, section 6.3.4 of GO 156 should be revised to include *mandatory* language requiring prime contractors to utilize diverse and small businesses in their contracts.

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<sup>1</sup> The CAPCC represents the business interests of approximately 400,000 Asian Pacific-owned businesses in California. As the premier Asian Pacific (or “API”) business organization in the State, the CAPCC promotes economic growth through supplier diversity initiatives and education and workforce development programs, and advocates on behalf of the API business community at the state, local and federal levels. Joining the CAPCC for purposes of these comments are Asian, Inc. and the Asian Business Association – Los Angeles Chapter.

The CAPCC also asserts that the Staff Report fails to address, much less acknowledge, several key solutions put forward by the CAPCC. More specifically, the CAPCC submitted detailed comments defining obstacles to procurement in the Underutilized Areas, and solutions to those obstacles, ahead of the May 5, 2010, Workshop. These comments included valuable testimony from WMDVBES serving in the Underutilized Areas. The CAPCC also provided oral testimony at the Workshop itself. However, the Staff Report does not reference any such participation by the CAPCC in the Workshop proceedings. For that reason, the CAPCC incorporates by reference the comments and testimony it provided to the Supplier Diversity Staff prior to the May 5, 2010 workshop as **Exhibit 1**. A summary of the key solutions presented in those comments that did not receive attention or analysis in the Staff Report is as follows:

- **Utilize Community Groups as Mentoring and Technical Assistance Base:** As a general matter, community groups, such as the CAPCC, have a vested interest in seeing the Utilities achieve the General Order 156 procurement goals. WMDVBES belong to community groups to increase their exposure to business opportunities and technical training. To serve this purpose, most community groups have resources to conduct effective outreach and capacity building in the Underutilized Areas. As an example, the CAPCC's [www.youconnecthere.com](http://www.youconnecthere.com) web platform has been an effective means for conducting outreach and offering technical trainings to API businesses. Accordingly, the CAPCC observes that the Utilities, in order to successfully achieve the General Order 156 procurement goals in the Underutilized Areas and others, should coordinate all outreach and capacity building measures with the respective community organizations. Specifically, the CAPCC believes that Utilities should invest resources in asset mapping all the community based organizations that deliver business training, mentoring, and networking and help build the capacity in these community based organizations so that a comprehensive delivery system of capacity building for small businesses can be achieved. The CAPCC believes that community based organizations can and should play the same role as organizations like the Federal Technology Center ([www.theftc.org](http://www.theftc.org)), a "one-stop" shop for business training, mentoring and networking.
- **Awareness/Marketing Campaign for WMDVBE Businesses:** WMDVBES should be appraised of all of the business development resources available to them in the jurisdiction in which they are located. The Utilities, in collaboration with the Community Groups, should coordinate a campaign to achieve this goal. For example, as part of this campaign, the Utilities and Community Groups could provide resource materials to local jurisdictions that are made available to WMDVBE businesses upon application/receipt of a business license. Additionally, the Utilities can provide resource materials directly to WMDVBES at the time the business establishes service. This is an obvious contact point the Utilities should exploit to identify and cultivate WMDVBE businesses.
- **Identify Types of Bidders and Create Outreach Campaign for Each Bidder Type:** An effective outreach program must include different strategies for different types of businesses depending on their level of sophistication and experience. By this measure, there are three

types of WMDVBE bidders: (1) Qualified & Certified; (2) Qualified and Uncertified; and (3) Unqualified and Uncertified. The Utilities and the Community Groups should undertake a targeted campaign to identify and categorize specific businesses into each of these three categories. Following identification, the Utilities and Community Groups would implement an outreach program for each bidder type. For Qualified and Certified Businesses, for example, the Utilities and Community Groups would direct the business to a Mentorship program. An outreach program for Qualified and Uncertified businesses would focus on the certification process. Finally, an outreach program for Unqualified and Uncertified businesses would focus on providing technical assistance, such as trainings on the bidding process, means of obtaining capital/bonding, and certification.

- **Implement a SEED Program:** The Sacramento Municipal Utilities District (“SMUD”) recently adopted the Supplier Education and Economic Development (“SEED”) Program. The SEED Program authorizes SMUD to offer contracts less than \$75,000 to DGS-certified small businesses. The PUC and the Utilities can implement a similar program as a means of providing WMDVBE businesses in the Underutilized Areas a way to get their “foot in the door” and become part of the Utility contracting pipeline.
- **The Utilities and the PUC Must Develop and Implement a Strategy for Unbundling Larger Service Contracts:** The CAPCC observes that the Utilities do not typically unbundle larger service contracts in the Underutilized Areas. The federal Office of Management and Budget (“OMB”) has recognized that unbundling large contracts is an efficient and important method of improving the access of small and disadvantaged businesses to federal contracting opportunities. OMB in fact adopted an unbundling strategy in 2002.<sup>2</sup> Accordingly, the CAPCC asserts that the recommended unbundling workshop must result in a comprehensive unbundling strategy that can be codified and implemented within the framework of General Order 156.

The CAPCC also provided testimony from WMDVBEs working in the Underutilized Areas. This testimony contained potential solutions in the Advertising and Consulting procurements areas. (See **Exhibit 1 [Exhibits 1, 2].**)

### Conclusion

The CAPCC requests the PUC and Staff to evaluate and adopt the solutions discussed herein, as well as those solutions put forth by its member WMDVBE businesses, as formal recommendations to the PUC for addressing barriers to supplier diversity in the Underutilized Areas. In addition, the CAPCC requests that the Staff Report be amended to accurately represent the CAPCC’s contribution to the May 5, 2010, Workshop.

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<sup>2</sup> *Contract Bundling, A Strategy for Increasing Federal Contracting Opportunities for Small Business*, Office of Management and Budget, Office of Federal Procurement Policy, Oct. 2002 [available at <http://www.osdbu.gov/Assets/PDF/contractbundlingreport2002.pdf>].

Respectfully submitted,

/S/

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## Service List for R 09-07-027 (UPDATE)

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**EXHIBIT 1**



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JOEL PATRICK ERB  
JON D. RUBIN  
JEFFREY K. DORSO  
JENNIFER L. DAUER  
SEAN K. HUNGERFORD  
CHRIS A. McCARDLESS  
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DAVID P. TENBLADOR

JEFFREY L. ANDERSON  
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DAN M. SILVERBOARD  
JONATHAN R. MAJZ  
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R. JAMES DIEPENBROCK  
(1929 - 2002)

April 28, 2010

California Public Utilities Commission  
Utility Supplier Diversity Program  
320 West 4th Street, Ste. 500  
Los Angeles, CA 90013

Re: May 5, 2010, Workshop Opening Comments  
Rulemaking 09-07-027  
Our File No.: 4041-001

Dear Sir or Madam:

On behalf of the California Asian Pacific Chamber of Commerce ("CAPCC") and its Coalition partners (collectively, "CAPCC Coalition"), we submit the following Opening Comments to the questions delineated in the May 5, 2010, workshop agenda on Underutilized Areas. For the benefit of the Public Utilities Commission ("PUC") and the Utilities, the CAPCC has included written testimony from its member businesses serving in the Underutilized Areas to help better define both the challenges facing WMDVBE businesses in the Underutilized Areas, and solutions for overcoming these challenges.<sup>1</sup>

The CAPCC represents the business interests of approximately 400,000 Asian Pacific-owned businesses in California. As the premier Asian Pacific (or "API") business organization in the State, the CAPCC promotes economic growth through supplier diversity initiatives and education and workforce development programs, and advocates on behalf of the API business community at the state, local and federal levels.

### Responses to Workshop Questions

#### **1. Share information and ideas about the challenges in each of these procurement areas.**

There are several challenges facing Women, Minority, Disabled Veteran, Business Enterprise ("WMDVBE") competing in each of the Underutilized Areas.

- WMDVBEs cannot typically compete with the prices, capabilities, and financial resources that larger companies can offer when bidding for contracts in Underutilized Areas. For example, Bill

<sup>1</sup> The testimony of Bill Imada, Chairman and CEO of the IW Group, Inc. (Advertising/Public Relations), is attached as **Exhibit 1**. The testimony of Samuel Oki, Chief Financial Officer and Principal of Meta Research (Consulting-Market/Public Opinion Research) is attached as **Exhibit 2**.

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# **DIEPENBROCK HARRISON**

PUC Utility Supplier Diversity Program

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Imada of the Imada Wong Communications Group notes that larger companies competing for advertising, marketing, and communications contracts often have superior relationships with the Utilities, better financial resources and human resources, and more advanced technology (e.g., higher bandwidth) than smaller, less-equipped WMDVBEs. (See Testimony of Bill Imada, **Exhibit 1**, p. 1.)

- The PUC's certification process has minimal benefit for businesses competing in Underutilized Areas. The certification process itself is onerous and financially burdensome for smaller, WMDVBEs to undertake, and there is no guarantee that certification results in increased business. Certification therefore must include more immediately tangible benefits than a simple listing on a web database. For example, businesses becoming certified should be provided immediate access to job trainings, bidding opportunities, and business development programs. (See Testimony of Samuel Oki, **Exhibit 2**, p. 2.)
- "Tier 1" prime contractors have largely failed to allocate project tasks/funding to qualified WMDVBEs, even when directed to do so in the bidding document/RFP. General contractors identify WMDVBEs but do not follow through and engage the WMDVBEs.

## **2. What are the various types of service contracts put out to bid?**

The CAPCC reserves comment on the types of service contracts put out to bid.

## **3. What would be useful development steps for small businesses and DBEs to become more competitive?**

Due to their size and resources, WMDVBEs are not typically aware of other external resources, particularly business development resources, that are available to assist in making WMDVBEs more competitive in the marketplace. Several community organizations, including the CAPCC, provide invaluable networking events, publish bidding opportunities, and offer classes on bidding process(es). Accordingly, WMDVBEs should become more active in their community based organizations, and should undertake proactive efforts to contact utility procurement/supplier diversity staff to learn about the utility's respective bidding process and contract opportunities. Finally, to increase their competitiveness in the Underutilized Areas, WMDVBE business owners and staff must increase their scope of expertise through job training/continuing education.

## **4. What actions could be taken by the utilities and community groups to develop a broader pool of bidders?**

There are several steps utilities, working in collaboration with community based organizations, can take to develop a broader pool of WMDVBE bidders. For brevity, we have included these actions in a bullet point list:

- **Utilize Community Groups as Mentoring and Technical Assistance Base:** As a general matter, community groups, such as the CAPCC, have a vested interest in seeing the Utilities achieve the General Order 156 procurement goals. WMDVBEs belong to community groups to

## **DIEPENBROCK HARRISON**

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increase their exposure to business opportunities and technical training. To serve this purpose, most community groups have resources to conduct effective outreach and capacity building in the Underutilized Areas. As an example, the CAPCC's [www.youconnectthere.com](http://www.youconnectthere.com) web platform has been an effective means for conducting outreach and offering technical trainings to API businesses. Accordingly, the CAPCC observes that the Utilities, in order to successfully achieve the General Order 156 procurement goals in the Underutilized Areas and others, should coordinate all outreach and capacity building measures with the respective community organizations. Specifically, the CAPCC believes that Utilities should invest resources in asset mapping all the community based organizations that deliver business training, mentoring, and networking and help build the capacity in these community based organizations so that a comprehensive delivery system of capacity building for small businesses can be achieved. The CAPCC believes that community based organizations should play the same role as organizations like the Federal Technology Center ([www.theftc.org](http://www.theftc.org)), a "one-stop" shop for Federal contracts for business training, mentoring and networking.

- **Awareness/Marketing Campaign for WMDVBE Businesses:** WMDVBEs should be appraised of all of the business development resources available to them in the jurisdiction in which they are located. The Utilities, in collaboration with the Community Groups, should coordinate a campaign to achieve this goal. For example, as part of this campaign, the Utilities and Community Groups could provide resource materials to local jurisdictions that are made available to WMDVBE businesses upon application/receipt of a business license. Additionally, the Utilities can provide resource materials directly to WMDVBEs at the time the business establishes service. This is an obvious contact point the Utilities should exploit to identify and cultivate WMDVBE businesses.
- **Identify Types of Bidders and Create Outreach Campaign for Each Bidder Type:** An effective outreach program must include different strategies for different types of businesses depending on their level of sophistication and experience. By this measure, there are three types of WMDVBE bidders: (1) Qualified & Certified; (2) Qualified and Uncertified; and (3) Unqualified and Uncertified. The Utilities and the Community Groups should undertake a targeted campaign to identify and categorize specific businesses into each of these three categories. Following identification, the Utilities and Community Groups would implement an outreach program for each bidder type. For Qualified and Certified Businesses, for example, the Utilities and Community Groups would direct the business to a Mentorship program. An outreach program for Qualified and Uncertified businesses would focus on the certification process. Finally, an outreach program for Unqualified and Uncertified businesses would focus on providing technical assistance, such as trainings on the bidding process, means of obtaining capital/bonding, and certification.
- **Implement a SEED Program:** The Sacramento Municipal Utilities District ("SMUD") recently adopted the Supplier Education and Economic Development ("SEED") Program. The SEED Program authorizes SMUD to offer contracts less than \$75,000 to DGS-certified small businesses. The PUC and the Utilities can implement a similar program as a means of providing WMDVBE businesses a way to get their foot in the door. A description of the SEED program is provided in **Exhibit 3**.

# DIEPENBROCK HARRISON

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- **The Utilities Must Unbundle Larger Service Contracts:** The CAPCC observes that the Utilities do not typically unbundle larger service contracts in the Underutilized Areas. The federal Office of Management and Budget has recognized that unbundling large contracts is an efficient and important method of improving the access of small and disadvantaged businesses to federal contracting opportunities. OMB in fact adopted an unbundling strategy in 2002.<sup>2</sup> The PUC should examine adopting similar, mandatory unbundling provisions for General Order 156.

## 5. What are common deficiencies in bids for these types of contracts?

As referenced above, some Utilities are unwilling to break down large contracts to allow smaller WMDVBES to bid.

\*\*\*\*\*

Thank you for the opportunity to submit these comments. If you have any questions regarding this matter, please call me at (916) 492-5061. We look forward to collaborating with the Utilities and the PUC at the May 5, 2010, workshop.

Very truly yours,

DIEPENBROCK HARRISON  
A Professional Corporation

By:   
Dan M. Silverboard

DMS:gjc  
Enclosures

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<sup>2</sup> *Contract Bundling, A Strategy for Increasing Federal Contracting Opportunities for Small Business*, Office of Management and Budget, Office of Federal Procurement Policy, Oct. 2002 [available at <http://www.osdbu.gov/Assets/PDF/contractbundlingreport2002.pdf>].

# EXHIBIT 1

**iW**group, inc.

**To:** Public Utilities Commission, Utility Supplier Diversity Program

**Re:** May 5, 2009, Workshop on Underutilized Areas  
Rulemaking R09-07-027

April 21, 2010

To Whom It May Concern:

On behalf of the California Asian Pacific Chamber of Commerce (CAPCC), please accept this written testimony for use by the Public Utilities Commission in Rulemaking 09-07-027 on General Order 156.

My name is Bill Imada. I am the founder, chairman and chief executive officer of Imada Wong Communications Group (dba "IW Group"). As chairman and CEO of the company, my primary responsibilities include branding, marketing and developing new business opportunities. For more than 20 years, I have developed, grown and managed a certified minority-owned and operated agency focusing on advertising, marketing, and communications to the growing Asian and Pacific Islander American communities in the U.S.

I offer the following responses to the questions enumerated in the May 5, 2010, workshop agendum.

**1. Challenges in Ethnic Advertising Industry:**

The primary challenge that exists among minority-owned and operated advertising, marketing and communications agencies is being able to effectively compete with larger, more powerful mass-market agencies that often have existed for decades. These larger, better-financed agencies often have the influence, political clout and bandwidth to effectively (and more efficiently) compete against smaller, less-equipped start-up agencies, boutiques and market specialists.

Many of the smaller ethnic-owned advertising and communication agencies are often marginalized through W/MBE programs that are meant to help them secure contractual opportunities with larger, more sophisticated agencies. These larger agencies often take advantage of supplier diversity goals by engaging certified (and some uncertified) agencies and entrepreneurs to assist them in fulfilling the requirements that are set by governmental agencies, public utilities and others.

The difficulties of working with larger Tier I (prime contractors) do not just involve participation in new business pitches. It often begins after a contract is awarded. Prime contractors are usually tasked with the responsibility of allocating the client's budget. Unfortunately, the largest percentage of budget is oftentimes allocated for themselves, leaving only a fraction of the available dollars for MBE advertising, marketing and communications agencies. Even when RFPs call for

specific marketing, advertising and outreach activities directed to women, ethnic consumers, LGBT audiences and people living with disabilities, only a very small portion of the funding is actually given to the subcontractors. Rarely do the allocated funds cover the costs needed by the MBEs to fulfill their responsibilities. Furthermore, most of these contractual opportunities are not profitable for MBEs. With today's economic challenges, more and more of the larger, mass-market firms want to keep as much of the work for themselves. They often justify allocating more resources for themselves by taking on tasks that were supposed to be handled by the MBEs.

2. **Ethnic Advertising and Communications Industry Contract Opportunities:**

Most of the contractual opportunities focus on low-income assistance programs that require in-language or in-culture advertising, marketing and public relations. This includes programs, such as CARE, that allow low-income households to apply for gas, electric and telephone services at a discounted rate. Some of the utility companies also provide contractual opportunities for minority-owned advertising, marketing and communications agencies in the areas of collateral development, graphic design, printing/duplicating, event marketing, community relations, business-to-business relations and ethnic media relations.

3. **Solutions (Business Side):**

Minority-owned agencies should do a better job learning about the supply chain needs of all of the major utility companies. Furthermore, MBEs should also learn how to work more closely and effectively in their agency partnerships. Most MBEs rely heavily on supplier diversity programs offered by the utility companies. These programs offer only one entry point among many. MBEs who believe that the best way to secure business with a public utility is through supplier diversity often find the path to securing a contract difficult.

4. **Solutions (Utility Side):**

Since there are a variety of contractual opportunities at each utility company, the utilities should consider offering RFPs that allow for greater competition at all levels and in all areas of their business.

Teams reviewing RFP submissions should also reflect the diversity of the state and the communities where the utilities conduct their business. Utilities should ask more questions about the diversity of all agencies pitching their business, including MBEs. These inquiries should ask all agencies being reviewed to demonstrate that they have a diverse workforce with the credentials (and the long-term commitment) to address the changing demographic profile of the state and local communities.

The utility companies can help by directing discussions with the prime contractors to ensure that funds are being properly allocated to MBEs and their portion of the contract.

5. **Flaws in the Bidding Process:**

One of the biggest flaws with the process is simple. If a prime contractor recruits several women and minority-owned businesses to participate on its team and wins the contract, there is usually no oversight to ensure that the subcontractors are given any of the work being contracted. Our agency has been on several

winning teams. On two of those winning teams, our agency received no work from the winning prime contractor. In several others, the winning agencies provided only a small fraction of the budget to the subcontractors.

Some of the winning contractors use the client as their excuse for not awarding more funds to the subcontractors, saying that the client ultimately dictates budget allocations.

Subcontractors often have no interface at all with clients. This lack of interface allows prime contractors to filter information to the client and to the subcontractors. Clients also seem unwilling to ask the tough questions to keep prime contractors accountable for their commitment to work with MBEs. Without proper client involvement and interaction, it is difficult for subcontractors to succeed as Tier II suppliers. And, without the experience of being a Tier II supplier, many MBEs will never be able to learn how to become a Tier I supplier.

6. **Obstacles to Diversity in the Ethnic Advertising and Communications Industry:**

The biggest obstacle to diversity is the lack of role models that exist at the mass-market (general market) advertising, marketing and public relations agencies. Most of the larger agencies have personnel who do not reflect the true diversity of the State of California, and only a small percentage of these agencies have executives who are individuals of color. While women have advanced in the advertising, marketing and communications industries, there is still a significant lack of minorities in key executive roles within these larger, mass-market firms.

In some cases, this lack of diversity within larger, mass-market firms may seem like an opportunity for the smaller to mid-sized ethnic agencies to win contracts. Unfortunately, the opposite is usually true. Due to the lack of diversity that exists at these agencies, many minority communities are not properly represented in advertising, marketing, market research, and communications. Furthermore, this lack of diversity manifests itself with advertising and marketing campaigns that lack cultural diversity, perpetuate negative stereotypes and imagery, and/or fail to be culturally relevant to the audiences being addressed.

**CONCLUSION**

After more than 20 years of experience working in the advertising, marketing and communications industry, I have first-hand experience concerning the myriad challenges that exist for MBEs who wish to engage in business opportunities with the utilities. While there is a greater level of openness that exists with the utilities today, the same is not true with the mass-market agencies that service many of the utility companies in California and other parts of the country. Therefore, it is important to amend General Order 156 to include language that would allow for greater transparency by the utilities and their mass-market suppliers on how they can more effectively work with MBEs who are engaged in advertising, marketing and communications.

Finally, I consider IW Group one of the more fortunate MBEs. IW Group currently has contracts with two public utility companies: Pacific Gas & Electric Company (PG&E) and Southern California Edison (SCE). We also have extensive experience working with AT&T, Comcast and the California Public Utilities Commission. Our relationship with

PG&E spans more than 16 years, and our work with SCE is nearing seven years. Our relationship with both companies is excellent.

We also have seen the excellent work that has been done by all of the public utilities to ensure that more MBEs have opportunities to engage in contractual opportunities with their companies. We encourage all of the public utilities to work more closely with their Tier I suppliers to ensure that they are doing more to provide verifiable contractual opportunities for MBEs.

Respectfully submitted,

Bill Imada  
Chairman and CEO  
**IW Group, Inc.**  
8687 Melrose Avenue, Suite G540  
West Hollywood, CA 90069  
(310) 289-5500

**EXHIBIT 2**

April 28, 2010

To: Public Utilities Commission, Supplier Diversity Program

Re: May 5, 2009, Workshop on Underutilized Areas  
Rulemaking R09-07-027

On behalf of the California Asian Pacific Chamber of Commerce (CAPCC), please accept this written testimony for use by the Public Utilities Commission in Rulemaking 09-07-027 on General Order 156.

My name is Stephen Murrill. I am employed by Meta Research, Inc. as the President. My job responsibilities include overall corporate management and business development. I have extensive experience and/or knowledge of utility procurement practices in my industry sector, specifically with regard to minority and women-owned businesses.

I offer the following responses to the questions enumerated in the May 5, 2010, workshop agenda.

1. **Challenges in the Marketing and Public Opinion Research Industry:**

Meta Research is a California Department of General Services certified Small Business Enterprise. We received our Minority Business Enterprise certification (9CN00068) from the PUC Supplier Clearinghouse in April of 2009. To date we have been extremely disappointed with the lack of outreach by utilities to firms on the Clearinghouse database. To my knowledge we have not received a single Request for Proposals or any other type of inquiry regarding project opportunities as a result of our listing. The process to become certified is not simple. It takes a lot of staff time for a very small firm to gather and organize the level of documentation requested. We made that investment under the assumption that we would have opportunities to bid on projects. We have not yet seen that opportunity. The Supplier Clearinghouse needs to yield opportunity or it is clearly not of any advantage to be on the database.

2. **Marketing and Public Opinion Research Industry Contract Opportunities:**

Meta Research has been on the vendor list for the Sacramento Municipal Utility District for several years. We have received RFPs from SMUD.

- Perception Tracker Survey Services – SMUD, February 2009
- Quantitative Research Services – SMUD, February 2009

3. Solutions (Business Side):

We need to be more proactive in calling attention to our capabilities and reaching out to utilities that use the Clearinghouse list. We need to be smarter about learning where and when the opportunities are coming.

4. Solutions (Utility Side):

A simple listing on the Supplier Clearinghouse' database is not adequate. It appears, from our perspective, that utilities are not taking advantage of the database as a resource. The PUC should more actively promote the use of the database as an opportunity to access qualified service providers.

5. Flaws in the Bidding Process:

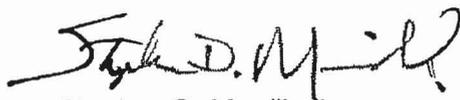
Our biggest frustration in bidding with utilities is that the process is so prescriptive that it is difficult to present creative solutions. Although this may make it easy to compare "apples to apples", it makes it difficult to present a different, but perhaps more effective approach, based on our knowledge of the scope of work requested.

6. Obstacles to Diversity in the Marketing and Public Opinion Research

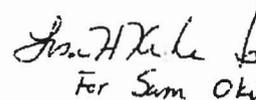
Industry: Describe other obstacles to achieving a large pool of diverse applicants in your procurement area, and other professional areas. Provide specific examples where applicable. The marketing and public opinion research industry offers plenty opportunity for utilities to source minority and small business services. While there are a number of very large firms in our industry it is predominantly an industry of small locally owned firms. The primary obstacle to achieving a large pool of diverse applicants for services in this field would be inadequate recruiting. Secondly, even with good recruiting, the pool may stay small because of the challenges of certification.

In conclusion, there are substantial and definable actions the PUC and the utilities can take to increase procurement from WMDVBE businesses for bids related to the Marketing and Public Opinion Research Industry. I therefore request that the PUC amend General Order 156 to incorporate the solutions to the current shortfall in the Marketing and Public Opinion Research area addressed in this letter and/or other solutions advanced by the CAPCC.

Respectfully Submitted,



Stephen D. Murrill  
President & Principal



For Sam Oki

G. Samuel Oki  
Chief Financial Officer & Principal

EXHIBIT 3

## **SEED Program**

(From the Sacramento Municipal Utilities District Website)

<http://www.smud.org/en/do-business-with-smud/Pages/seed.aspx>

### Contracting opportunities

SMUD's Supplier Diversity Program recently implemented the SEED (Supplier Education and Economic Development) Program, an economic development program to benefit ratepaying small businesses.

The District's SEED Program offers incentives for local small businesses to participate in the District's competitive bid process. Prime contractors may also participate in the SEED program and receive incentives by subcontracting with SEED vendors.

### To Qualify for SEED

Effective June 1, 2006: To qualify for the SEED Program, the vendor must be certified as a Small Business or Microbusiness by the California Department of General Services (DGS) and have been a SMUD ratepayer at the address shown on the DGS certification six months prior to the bid opening date. Qualified vendors must submit the SEED Program Small Business Declaration Form with attachments with each bid proposal to receive program advantages. The form is available in each solicitation document package. Existing SEED vendors who wish to remain eligible for new contracting opportunities after June 1, 2006 must also comply with the new program requirements.

### How to reach us

Frank Martinez -- SEED Program Manager, Supplier Diversity Supervisor, 916-732-5604

Lori Okamoto -- Supplier Diversity Advocate, 916-732-5984

Cindy Hatano -- Supplier Diversity Admin Support, 916-732-5623

### SEED Program incentives:

- **SEED Prime Contracting:** All SEED vendors, who bid on open solicitations, will qualify for a 5 percent price evaluation advantage based on the lowest responsible bid capped at \$250,000 and 10 RFP evaluation points.
- **SEED Subcontracting Program:** All prime contractors, whose bids include 20 percent subcontracting with SEED vendors, will receive a 5 percent price evaluation based on the lowest responsive bid, capped at \$250,000 and 10 RFP evaluation points. Proposals with less than 20 percent SEED subcontracting will be awarded 5 percent of total value of all proposed SEED bids and pro-rata points for the value of those subcontracts.
- **Sheltered Market:** At the discretion of District departments, contracts of \$75,000 and below may be made available only to SEED vendors.