

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



FILED

10-29-10
04:59 PM

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 HISPANIC CHAMBERS OF COMMERCE AND
CALIFORNIA ASIAN PACIFIC CHAMBER OF COMMERCE:
JOINT COMMENTS ON OCTOBER 12, 2010, EN BANC HEARING ON GENERAL
ORDER 156, "CHALLENGING THE PARADIGM OF DIVERSE PROCUREMENT"**

LAWRENCE B. GARCIA
DAN M. SILVERBOARD
Diepenbrock Harrison
400 Capitol Mall, Suite 1800
Sacramento, CA 95814
Telephone: (916) 492-5000
Facsimile: (916) 446-4535
E-Mail: lgarcia@diepenbrock.com
E-Mail: dsilverboard@diepenbrock.com
Representatives for
CALIFORNIA HISPANIC CHAMBERS
OF COMMERCE and CALIFORNIA ASIAN
PACIFIC CHAMBER OF COMMERCE

JULIAN CANETE
Chief Executive Officer
California Hispanic Chambers of Commerce
770 "L" Street, Suite 900
Sacramento, CA 95814
Telephone: (800) 299-6033
E-Mail: jcanete@cahcc.com

PAT FONG KUSHIDA
President and Chief Executive Officer
California Asian Pacific Chamber of Commerce
2012 "H" Street, Suite 202
Sacramento, CA 95814
Telephone: (916) 446-7883
E-Mail: patfk@sacasiancc.org

Dated: October 29, 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

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

**THE CALIFORNIA HISPANIC CHAMBERS OF COMMERCE AND
CALIFORNIA ASIAN PACIFIC CHAMBER OF COMMERCE:
JOINT COMMENTS ON OCTOBER 12, 2010, EN BANC HEARING ON GENERAL
ORDER 156, "CHALLENGING THE PARADIGM OF DIVERSE PROCUREMENT"**

INTRODUCTION

The California Hispanic Chambers of Commerce ("CHCC") and the California Asian Pacific Chamber of Commerce ("CAPCC") (collectively, "Chambers") submit the following Joint Comments on the Public Utilities Commission's ("Commission") October 12, 2010, En Banc Hearing on General Order 156 ("GO 156").

The fundamental purpose of this rulemaking is to determine whether and to what extent the Commission should adopt revisions to the GO 156 program to facilitate a tangible increase in supplier diversity. In engaging in this deliberative process, both the Utilities and the community-based organizations ("CBOs") have agreed that the largest obstacle towards achieving the GO 156 supplier diversity goals is a shortage of qualified diverse business enterprises ("DBEs") that are able to compete for Utility contracts. In addition to the lack of certified DBEs, as noted in the Staff Report to the June 7, 2010, workshop on "Barriers to Competition," the Utilities have also suggested that key obstacles to increased supplier diversity include: (1) inadequate experience and industry knowledge by DBEs; (2) a lack of bid sophistication; and (3) the inability of DBEs to deal with large projects. In addition to these obstacles, CBOs like the CHCC and CAPCC also believe that the lack of supply diversity is fundamentally rooted in: (1) a lack of knowledge by the DBEs as to each utility's respective bidding process; and (2) the failure by the Utilities to effectively collaborate with the CBOs representing the DBE communities. (See Public Utilities Commission, Staff Report on Barriers to Competition Workshop, Jun. 28, 2010, p. 3.)

The CAPCC, CHCC, and other CBOs in this rulemaking uniformly believe the shortfall of qualified DBEs bidding on Utility procurement opportunities, and the specific obstacles mentioned by the Utilities, can only be addressed by providing the DBEs with intensive technical assistance training. To this end, the Chambers have jointly formulated the following Technical Assistance Plan, first unveiled at the En Banc Hearing, which is designed to address the key obstacles identified by the Utilities and the CBOs, and also to build capacity within DBE communities.

The Chambers strongly urge the Commission to adopt this Technical Assistance Plan in the present GO 156 rulemaking.¹

JOINT TECHNICAL ASSISTANCE PLAN

1. Plan Overview

This Technical Assistance Plan includes components which, if adopted, will lead to the establishment of four (4) technical assistance academies in California. Utilizing curriculum and training modules designed to meet certain Curriculum Goals, these academies will teach qualified businesses how to successfully bid on Utility contracts. To ensure the value of these academies, graduates will be automatically entered into respective Utility mentorship programs to ensure they continue and expand their access to contracting opportunities.

Finally, the Chambers advise that to ensure the Technical Assistance Plan is both inclusive and efficiently implemented, the plan includes roles for all pertinent GO 156 stakeholders, including the Joint Utilities, the Commission, and the CBOs.

2. Target Businesses

There are approximately 6,000 businesses that are certified by the Supplier Clearinghouse. The Chambers advise that of these businesses, approximately 1,000 are either qualified, or have the potential to be qualified to competitively bid on Utility contracts. It is these

¹ The CAPCC also strongly urges the Commission to require the Utilities to include in their annual reports the number of DBEs receiving contracts, as this will provide additional clarification as to the success of the GO 156 program.

1,000 businesses that are the target of the Chambers' Technical Assistance Plan, and which should be the target of any technical assistance proposal adopted by the Commission.²

As such, the first step in the Technical Assistance Plan is to identify these 1,000 qualified/potentially qualified businesses through a survey of businesses currently certified by the Commission's Supplier Clearinghouse. The Chambers advise that the Supplier Clearinghouse itself is in the best position to conduct this survey.³

The Supplier Clearinghouse will also be responsible for notifying and referring identified DBEs to the technical assistance academies, described below.

- | |
|--|
| <p style="text-align: center;"><u>Step 1: Component Actions/Responsible Parties</u></p> <ol style="list-style-type: none">1) Formulate Survey Questions (Supplier Clearinghouse/Joint Utilities)2) Release Survey (Supplier Clearinghouse)3) Gather and Analyze Data (Supplier Clearinghouse)4) Notify and Refer Identified DBEs as to Technical Assistance Academies (Supplier Clearinghouse) |
|--|

3. Curriculum Goals and Formalization

The Curriculum Goals underlying this Technical Assistance Plan, and described below, have been designed in large part to address the "Barriers to Competition" identified by the Utilities in the GO 156 rulemaking. Specifically, and as noted in the Introduction, the Utilities have asserted that DBEs are failing to place competitive bids because they lack sophistication in

² There are pragmatic reasons for focusing on this target group. Specifically, the Chambers observe from their own experience that adopting a technical assistance program targeted to the 5,000 unqualified businesses will require an extraordinary investment of ratepayer funds due to the level of education needed to train unqualified DBEs and associated administrative costs. The Chambers observe that the Utilities, and their ratepayers, will receive a significantly larger "return" by investing in those businesses that have a baseline amount of technical sophistication. As noted in the rulemaking proceedings, it is simply a waste of resources to expend ratepayer funds attempting to transform a hair styling business into a business that is able to competitively bid on Utility contracts. The Chambers advise there are several existing resources the Commission and the Utilities can refer unqualified businesses for technical assistance. These resources include, for example, the Federal Technology Center, the Small Business Administration's Small Business Development Centers, and SCORE technical assistance centers.

³ The Chambers advise that the Supplier Clearinghouse should conduct a new survey every eighteen (18) months.

the bidding process, and they are not equipped to handle large projects. These obstacles, as distinguished from others identified by the Utilities (i.e., lack of industry knowledge, lack of certified DBEs), can only be addressed through intensive training. Accordingly, the Curriculum Goals underlying this Technical Assistance Plan have been formulated to address these two main obstacles.

In addition, this Technical Assistance Plan addresses a key obstacle identified by the CBOs in the GO 156 rulemaking: lack of knowledge as to the Utilities' specific bidding processes.⁴

A. Curriculum Goals

The Curriculum Goals are designed to provide the potentially qualified and qualified DBEs identified by the Supplier Clearinghouse with the foundational skills necessary to become bid awardees. The Chambers have utilized the following sources to develop the Baseline Curriculum Goals: (1) Utility comments in the GO 156 rulemaking process; (2) the Chambers' own experience in operating technical assistance programs; (3) the curriculum of select Utility supplier diversity technical assistance programs; and (4) the curriculum of state agency technical assistance programs, including the Arizona Department of Transportation's DBE Academy, which was designed by Arizona State University.

Goal 1 – Fiscal Responsibility Skills. Components of Goal 1 include:

- Business Accounting/Financial Statement Analysis
- Financial Forecasting
- Identifying and Understanding Business Risks

Goal 2 – Marketing Skills. Components of Goal 2 include:

- Developing a Marketing Plan
- Customer and Competitive Analysis
- Market Segmentation

⁴ Given the businesses targeted under this Technical Assistance Plan, other obstacles described by the CBOs, including lack of access to capital and bonding, are not covered under this curriculum. These problems are most characteristic of unqualified, or else more unsophisticated businesses.

Goal 3 – Bid Preparation Skills. Components of Goal 3 include:

- Key Elements of the Proposal
- Developing a Requirements Matrix
- Developing a Proposal Team
- Coordinating Subcontractor Proposals
- Defining the Scope of Work
- Finalizing the Proposal and Preparing for Negotiations

Goal 4 – Advanced Business Skills. Components of Goal 4 include:

- Communication Skills
- Leadership Skills
- Negotiating Skills
- Organizational Design
- Forecasting the Utility Market
- Working with the Green Economy

Goal 5 – Administering Large Projects. Components of Goal 5 include:

- Project Management and Control
- Subcontract Administration
- Marketing to Prime Contractors
- Supply/Chain Management
- Payment Issues

Goal 6 – Obtaining ISO 9000 Certification. Components of Goal 6 include:

- Development of a Companywide Quality Management Policy and System
- Implementation of a Companywide Quality Management Policy and System

B. Adopting the Curriculum

The second step in the Technical Assistance Plan is to adopt the aforementioned Curriculum Goals, and to incorporate them in any RFQ/RFP for the Technical Assistance Academies. Bidders will be expected to provide specific training modules and curriculum to accomplish the Curriculum Goals.

Step 2: Component Actions/Responsible Parties

- 1) Adopt Curriculum Goals (PUC)
- 2) Include Curriculum Goals in RFP/RFQ for Technical Assistance Academies (Joint Utilities/PUC)

3. Technical Assistance Academies

This Technical Assistance Plan envisions the creation of four (4) Technical Assistance Academies divided among geographic regions of the state, including Southern California, Central California, the Bay Area, and Northern California. A further description of these geographic regions is as follows:

- Southern California: San Diego, Los Angeles, Inland Empire
- Central California: Fresno, Bakersfield, Visalia, Monterey, Merced
- Bay Area: San Francisco, Oakland, San Jose
- Northern California: Sacramento, Redding, Eureka, Napa

The Technical Assistance Academies will be operated semi-annually by CBOs and/or other qualified entities, who will compete for academy contracts through a competitive bidding process. As noted above, bidders will be expected as part of this process to design specific curriculum and training modules to accomplish the Curriculum Goals. Accordingly, the third step in this Technical Assistance Plan is the release and award of a contract to run one of the four (4) Technical Assistance Academies. The Joint Utilities, operating in coordination with the Commission, will manage this competitive bidding process.

Oversight over the Technical Assistance Academies will be provided by the Commission utilizing adopted benchmarks.

Step 3: Component Actions/Responsible Parties

- 1) Release of RFP and Award of Bid (PUC/Joint Utilities)
- 2) Administration of Technical Assistance Academy (Awardee)
- 3) Oversight over Technical Assistance Academy (including development of performance benchmarks) (PUC)

4. Pipeline to Utility Mentorship Programs

As the final component to this Technical Assistance Plan, and to ensure its value to participating DBEs and the Utilities, graduates of the Technical Assistance Academies will be enrolled in the Utility mentorship program (e.g., Southern California Edison's Mentor Protégé Program) of their choosing. This task will ensure that graduate DBEs have access to contracting

opportunities, and have the ability to collaborate with Utility procurement staff to ensure the competitiveness of their bids.

Additionally, this component is designed to address a key obstacle identified by the CBOs in the GO 156 rulemaking: lack of knowledge as to specific Utilities' bid processes and requirements.

Step 4: Component Actions/Responsible Parties

- 4) DBE selects Mentorship Program: (DBE)
- 5) DBE directly collaborates with Utility procurement staff through Mentorship Program (DBE/Utility)

5. Plan Summary

A diagram summarizing the components of the Technical Assistance Plan, including roles and responsibilities, is attached hereto as **Exhibit 1**.

6. Term

The Chambers recommend that this Technical Assistance Plan may be operated as a Pilot Program for the first eighteen (18) months, with one academy being operated during this time. If there are no formal objections raised at the conclusion of this initial term, the program will automatically expand to include all four (4) planned academies.

7. Projected Cost & Funding

The Chambers believe, given there are economic benefits to the Utilities for achieving full supplier diversity in its procurement, the Utilities should be largely responsible for investing the funds necessary to implement this Technical Assistance Plan.

Applicants should be charged a modest fee for attending the Technical Assistance Academies, with proceeds helping to offset plan administrative costs. To insure this admission fee does not impede DBEs from attending the Technical Assistance Academies, the Chambers recommend establishing a scholarship fund within the California Utilities Diversity Council (“CUDC”) or within the Commission to cover these fees.⁵

⁵ The President of the California Black Chamber of Commerce, Aubrey Stone, and Jose Perez of the *Latino Journal* have expressed interest in creating a non-profit scholarship fund within the

A tentative cost estimate for implementing and operating this Technical Assistance Plan is provided below.

- ❑ Implementation Costs: \$50,000 – \$75,000
- ❑ Technical Assistance Academy (Annual)
 - Curriculum Costs \$75,000 – \$100,000
 - Administrative Costs \$50,000 – \$75,000
 - Total (1 Academy/1 Series) \$125,000 – \$175,000
 - Total (4 Academies/2 Series) \$1,000,000 – \$1,400,000
- ❑ **Total Cost** **\$1,050,000 – \$1,475,000**

CONCLUSION

The Chambers believe that the adoption and implementation of the Technical Assistance Plan is a common sense and cost-efficient measure the Commission can take to strengthen and improve the GO 156 program. We look forward to working with the Utilities and CBOs to bringing this plan to fruition.

Respectfully submitted,

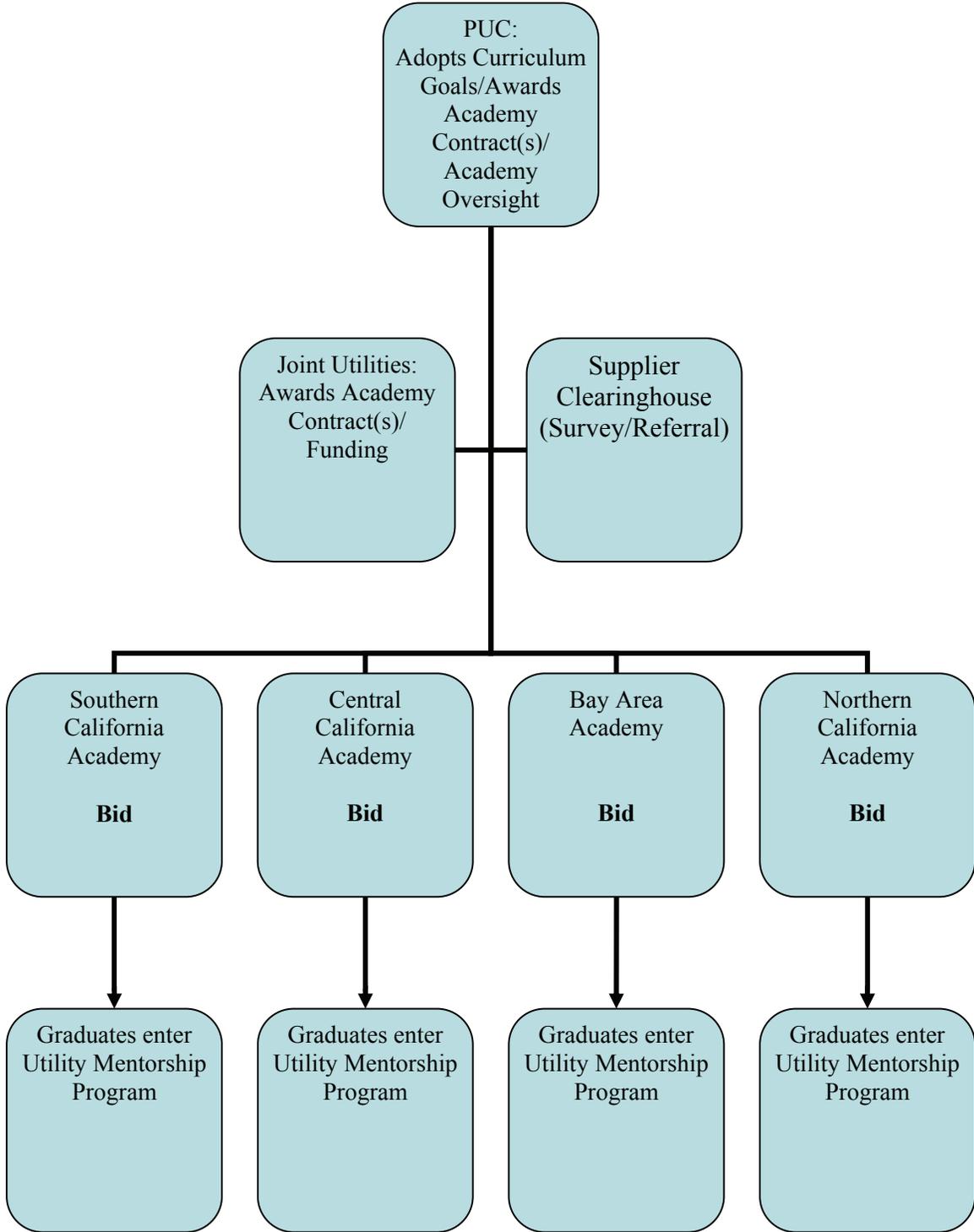
_____/S/
Julian Canete
Chief Executive Officer
California Hispanic
Chambers of Commerce
770 “L” Street, Suite 900
Sacramento, CA 95814
Telephone: (800) 299-6033
E-Mail: jcanete@cahcc.com

_____/S/
Pat Fong Kushida
President and Chief Executive Officer
California Asian Pacific
Chamber of Commerce
2012 “H” Street, Suite 202
Sacramento, CA 95814
Telephone: (916) 446-7883
E-Mail: patfk@sacasiancc.org

CUDC to help provide scholarships to cover the application fees, as well as provide: (1) funding for other technical assistance programs that can create new, qualified businesses; and (2) funding to commission research projects that will study supplier diversity best practices.

EXHIBIT 1

California Hispanic Chambers of Commerce
California Asian Pacific Chamber of Commerce
Joint Technical Assistance Plan – Summary Diagram



Service List for R 09-07-027

jespinosa@cabreracapital.com; catherine.mazzeo@swgas.com; emello@sppc.com;
gwen@pacbell.net; jorgecorralej@sbglobal.net; tracy@adproweb.com;
ed.jackson@parkwater.com; BruceH@CadenceLeasing.com; jesus.g.roman@verizon.com;
bkelly@swwc.com; gloria.ing@sce.com; tristan.reyesclose@sce.com; KSwitzer@gswater.com;
KHassan@SempraUtilities.com; chairman@elitesdvob.org; elaine@mabuhayalliance.org;
carl.wood@verizon.net; mdjoseph@adamsbroadwell.com; jhawks_cwa@comcast.net;
DSS8@pge.com; keith.krom@att.com; nelsonya.causby@att.com; stephen.h.kukta@sprint.com;
info@tobiaslo.com; pacasciato@gmail.com; gblack@cwclaw.com;
jarmstrong@goodinmacbride.com; deyoung@caltel.org; anitataffrice@earthlink.net;
jeguzmanjr@gmail.com; lencanty@blackeconomiccouncil.org; mmshelby@ggsvllc.com;
samk@greenlining.org; pucservice@dralegal.org; rich.dryden@cadvbe.org; jayala@cahcc.com;
jcanete@cahcc.com; Larry B. Garcia; patfk@sacasiancc.org; ted.puntillo@cdva.ca.gov;
jgg@eslawfirm.com; michelle.mishoe@pacificorp.com; Adam.Sherr@Qwest.com;
ghanible@um.att.com; sach@pge.com; stephaniec@greenlining.org; cswint@brv-llc.com;
stclair@willcapmanagement.com; finkelstein@willcap.com; William.Weber@cbeyond.net;
bmontgo@nicor.com; vsouthasarn@nvenenergy.com; valerie.ontiveroz@swgas.com;
RDAVIS@NVENERGY.COM; mblancarte@lbcgla.org; michael@jwharrislaw.com;
bill.winston@slharecapital.com; mail@bbala.org; jruiz@adorno.com; ncheatham@cniinc.com;
jglover@parkwater.com; leigh@parkwater.com; jacque.lopez@verizon.com;
lorraine.kocen@verizon.com; rwnicholson@sgvwater.com; dadellosa@sgvwater.com;
tjryan@sgvwater.com; Case.Admin@sce.com; jadarneylane@gswater.com;
jgaron@gswater.com; nancitran@gswater.com; rphoward06@yahoo.com;
esther.northrup@cox.com; CFPena@SempraUtilities.com; KMirr@SempraGlobal.com;
farrellytc@earthlink.net; KO'Beirne@SempraUtilities.com; LWrazen@SempraUtilities.com;
vicechairman@elitesdvob.org; deborah.tatum@ge.com; markw@corchurch.org;
Emma@gswater.com; elaine.duncan@verizon.com; Ingrid@imwis.com;
prutland@therutlandgroup.org; RegRelCPUCcases@pge.com; crmd@pge.com;
colin.petheram@att.com; ileana.winterhalter@att.com; Kcj5@pge.com;
Kristin.L.Jacobson@sprint.com; mfogelman@friedumspring.com; michelle.choo@att.com;
mxi9@pge.com; ashm@telepacific.com; chewlett@nossaman.com; ldolqueist@manatt.com;
mmattes@nossaman.com; sleeper@manatt.com; suzannetoller@dwt.com; janewhang@dwt.com;
joshdavidson@dwt.com; mariacarb@nossaman.com; aaron.joseph.lewis@gmail.com;
cem@newsdata.com; MAGq@pge.com; gyoung@thinkfeelknow.com;
abyrd@thinkfeelknow.com; robertgnaizda@gmail.com; selbytelecom@gmail.com;
resources@ressapproach.com; Sean.Beatty@mirant.com; dxphaso@sbglobal.net;
Tracy@Premieresolutionsllc.com; frederickjordan@aol.com; occur@sbglobal.net;
lmb@wblaw.net; tgamble@brv-llc.com; jalfredsmithjr@yahoo.com; dduncan@calwater.com;
palexander@calwater.com; speinado@calwater.com; dgrandy@caonsitegen.com;
soapyone@jps.net; Charlie.Born@ftr.com; dilverboard@diepenbrock.com; jperez@cudc.biz;
stewart.mackenzie@cdva.ca.gov; kmacias@mgocpa.com; CNL@cpuc.ca.gov;
ddm@cpuc.ca.gov; ph1@cpuc.ca.gov; jdr@cpuc.ca.gov; kms@cpuc.ca.gov; mke@cpuc.ca.gov;
zaf@cpuc.ca.gov; md2@cpuc.ca.gov; mvc@cpuc.ca.gov; mc3@cpuc.ca.gov; mcv@cpuc.ca.gov