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## ICC Holds Fifth Annual Supplier Diversity Policy Session

Chicago, IL...On Wednesday, the Illinois Commerce Commission (ICC) held its fifth annual supplier diversity policy session, with an emphasis on exploring the structural impediments – or challenges – facing minority/women/veteran-owned suppliers ("diverse suppliers") in doing business with the utilities, and a discussion of potential solutions to help them better compete for utility contracts.

"Several themes surfaced as we dove deeper into a discussion of the challenges diverse suppliers face," said Brien J. Sheahan, Chairman of the ICC. "One is the need for better communication about opportunities and about transparency and automation, so that diverse suppliers can learn about and bid for new opportunities. Another was helping diverse suppliers connect with contract decision-makers, including in professional services. The third was the concept of unbundling contracts, to make them smaller and more accessible to diverse suppliers."

State Senator Martin Sandoval, Chairman of the Senate Special Committee on Supplier Diversity, and State Rep. André Thapedi, Chairman of the House Public Utilities Committee, kicked off the policy session by stressing the importance of the state's diversity initiatives.

The leaders of Illinois' five largest regulated public utilities each gave an overview of their company's procurement goals and actual spend with diverse suppliers in 2017, with information about outreach and training efforts, overall economic impact, challenges faced and plans for improvement. Representing the utilities were:

- Melvin D. Williams, President, Nicor Gas and Senior Vice President, Southern Gas Company
- Richard J. Mark, Chairman and President, Ameren Illinois, and Chairman, IUBDC
- Joseph Dominguez, CEO, ComEd
- Bruce Hauk, President, Illinois American Water
- Charles Matthews, President and CEO, Peoples Gas and North Shore Gas

"Diverse suppliers have been key partners in our efforts to modernize the state's electric grid and natural gas delivery infrastructure," said Chairman of the Illinois Utilities Business Diversity Council (IUBDC) and Ameren Illinois Chairman and President Richard J. Mark.

The utilities have spent over \$1 billion on Illinois-based businesses and more than \$2 billion with diverse suppliers overall, with continual growth each year that they have reported.

"We look forward to building on these successes as we work to help diverse companies become more competitive, financially stronger and bigger contributors to our communities," said Charles Matthews, President and CEO, Peoples Gas and North Shore Gas.

"This year, we're projecting to spend over \$200 million with minority-, women- and veteran-owned businesses thanks to our intentional efforts and supplier diversity engagement," said Melvin D. Williams, President of Nicor Gas.

This year for the first time the reports include a breakdown of spend with diverse firms for large capital projects and for energy efficiency, as well as a uniform appendix listing diverse expenditures by category and classification, making it easier to view the information and compare across utilities.

Also new this year is a state requirement that suppliers of wind energy, solar energy, hydroelectricity, nuclear energy, and any other supplier of energy within the state submit an annual report on supplier diversity. As a result, 94 new entities reported this year and two energy suppliers spoke at the session:

- Jennifer Spinosi, Vice President, CleanChoice Energy
- Jim Steffes, Executive Vice President for External Affairs, Direct Energy

Commissioner John Rosales led a panel discussion on structural impediments facing diverse suppliers and potential solutions to help minority-owned businesses gain greater access to contracting opportunities with the utilities. Panelists included:

- George Medellin, Medellin & Associates (MBE)
- Cindy Gustafson, J.A.C.K. Contracting Services (WBE)
- Richard Dent, RLD Resources (MBE)
- Jaemie Neely, Women's Business Development Center
- Phillip Barreda, Chicago Minority Supplier Development Council
- Jorge Perez, Hispanic American Construction Industry Association

"Three structural impediments facing our partners are access to capital, access to contracts and access to contacts," said Jaemie Neely, PTAC Director of the Women's Business Development Center. "By the time our diverse businesses learn about an opportunity, it is often too late to gather the necessary resources to successfully bid. Greater engagement directly with the utility procurement decision-makers would also allow diverse suppliers to build stronger relationship and trust with the utilities."

Building on that discussion, Commissioner Sadzi Oliva moderated a panel that focused on the need to bolster efforts to increase spending in the professional services category. Panelists included:

- Homero Tristan, Tristan & Cervantes (MBE)
- Susanne Moncrieff, Corporate Motivation, Inc. (WBE)

- Martin Cabrera, Jr., Cabrera Capital (MBE)
- Wilbur Milhouse, Milhouse Inc. (MBE)
- John Scifers, SCIGON Solutions (VBE) and Illinois President of The Elite SDVOB Network (Service Disabled Veteran-Owned Businesses)
- Joseph De La Garza, Illinois Hispanic Chamber of Commerce
- Deavay Tyler, Illinois Black Chamber of Commerce

"The Illinois Black Chamber of Commerce is proud to acknowledge the increase in our members' participation in procurement opportunities with the 5 major utility companies - Ameren, ComEd, Illinois American Water Company, Nicor, and People's Gas," said Chamber CFO, Deavay Tyler. "We would also like to acknowledge the ICC leadership and the leaders of the respective utility companies for being a model for the rest of the country."

Closing out the session, the IUBDC – a forum for best practice sharing and information exchange among Illinois utilities – spoke about efforts to increase spending with diverse suppliers and presented a new online mapping tool that the IUBDC developed to better connect suppliers with contract opportunities.

The Public Utilities Act requires gas, electric and water companies with 100,000 customers under its authority, as well as suppliers of wind energy, solar energy, hydroelectricity, nuclear energy, and any other supplier of energy within Illinois, to submit an annual report to the ICC on their procurement goals and actual spending with diverse businesses in the previous calendar year. The law requires the Commission to hold an annual workshop on the state of supplier diversity to "collaboratively seek solutions to structural impediments to achieving stated goals."

Visit the ICC website <u>here</u> to view the presentations from Wednesday's policy session and <u>here</u> to access the annual reports.

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## About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click <u>here</u>. If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint <u>here</u>. For a complaint related to transportation, call 217-782-6448.

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