



**ILLINOIS
AMERICAN WATER**

Illinois Commerce Commission Supplier Diversity Series: 2016 Policy Session

Chicago, IL

Monday, June 6, 2016

1:00 PM

Section 5-117 of the Public Utilities Act (220 ILCS 5/5-117)

Supplier Diversity at Illinois American Water

- **Since our April 15, 2016 filing, ILAW has:**
 - Created a video on the value of diversity with a link on ILAW web page and YouTube channel.
 - ◆ <https://www.youtube.com/watch?v=PinCHdRad4A&feature=youtu.be>
 - Collaborated with diverse suppliers to create written success stories to share on ILAW web page.
 - ◆ <http://www.amwater.com/ilaw/working-with-us/doing-business-with-us/page25152.html>
 - Held three diversity events in 2015.
 - ◆ Leading Supplier Academy Workshop Southern Illinois (3rd quarter 2015)
 - ◆ ILAW event in East St. Louis (3rd quarter 2015)
 - ◆ ILAW event in Peoria (4th quarter 2015)
 - In 2015, ILAW facilitated the certification of 11 diverse suppliers.

Sourceable Spend w/Certified Suppliers

American Water Company Expenditures w/All Certified Suppliers (2015)					
				18% OF OVERALL	
SPEND CATEGORY	TOTAL			ACTUAL	GOAL
Overall	\$1,574,072,194				
	DIRECT	2ND TIER	TOTAL	ACTUAL	GOAL
MBE	\$27,571,547	\$6,004,922	\$33,576,469	2.13%	10.00%
WBE	\$106,482,416	\$9,765,898	\$116,248,314	7.39%	3.00%
VBE	\$8,138,335	\$646,536	\$8,784,872	0.56%	5.00%
SMB	\$105,146,376	\$6,279,586	\$111,425,962	7.08%	2.00%
Total M/W/VBE/SMB	\$247,338,675	\$22,696,943	\$270,035,617	17.16%	

The data provided above includes Direct and 2nd Tier Spend.

Sourceable Spend with Certified Suppliers

In 2016, ILAW set up internal measurements to track its accomplishments on a monthly basis.

Illinois American Water Company Expenditures w/All Certified Suppliers (2015)					
					4.68% OF OVERALL
SPEND CATEGORY	TOTAL			ACTUAL	GOAL
Overall	\$110,779,641				
	DIRECT	2ND TIER	TOTAL	ACTUAL	GOAL
MBE	\$369,078	\$1,418,432	\$1,787,510	1.61%	5.00%
WBE	\$4,032,476	\$1,772,829	\$5,805,306	5.24%	2.00%
VBE	\$1,560,379	\$41,748	\$1,602,127	1.45%	2.00%
SMB	\$3,481,338	\$257,188	\$3,738,527	3.37%	1.00%
Total M/W/VBE/SMB	\$9,443,271	\$3,490,198	\$12,933,469	11.67%	

The data provided above includes Direct and 2nd Tier Spend.

Illinois Diversity Growth Comparison - 2014 vs 2015

Illinois American Water Company Overall Spend Report - 2014 vs 2015 (DOLLAR AMOUNT IN THOUSANDS)

							10% OF OVERALL	
SPEND CATEGORY	2014		2015		2015 GOAL	INCREASE 2014 TO 2015		
	\$	%	\$	%	%	\$	%	
Total Company Spend	\$91,082		\$110,780					
Total Diverse Spend	\$6,209	6.82%	\$14,159	12.78%	10%	\$7,950	5.96%	
Total Certified Diverse Spend	\$3,341	3.68%	\$12,933	11.67%	4.68%	\$9,592	7.99%	

NOTE: All dollar values are in thousands (Scale: \$1=\$1000). Totals and percentages are calculated off of whole numbers, not scaled numbers in tables.

Customer Success Stories

Flinn Engineering



Urban GIS



American Suncraft

ILAW hosted success stories on its web site:
<http://www.amwater.com/ilaw/working-with-us/doing-business-with-us/page25152.html>

Customer Success Stories cont'd

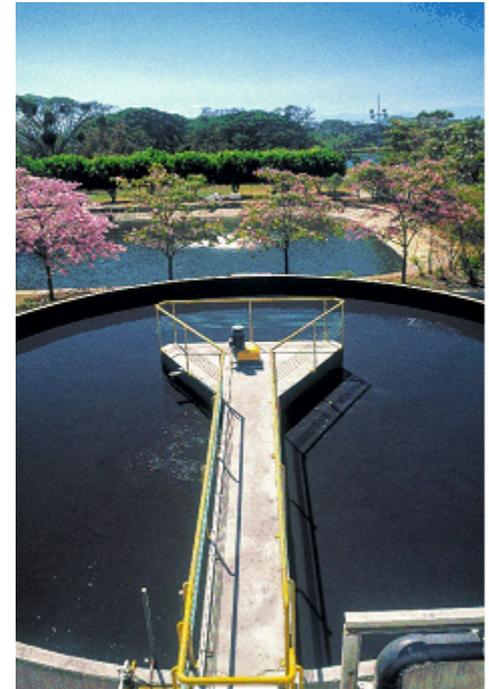
Yukon Equipment



Dawood Engineering



Lange Tech



Milhouse Engineering

2016 Mid- and Long-Term Goals

- Continue to enhance reporting capabilities via technology to establish the ability to capture diversity category and report diverse spends via SIC codes.
- Partnered with the Illinois Hispanic Chamber of Commerce to add diverse businesses, identify suppliers who are not certified and provide business training to small, minority and diverse-owned businesses in Illinois.
- Exceeded its 2015 diversity goal of 4.68 percent; through the collaborative effort of its team, the company achieved 11.67 percent.
- On target to meet its 2016 diversity growth goal of 13 percent of sourceable spend with Certified Diverse Suppliers.

2016 Mid- and Long-Term Goals (cont'd)

- Increased its 10-year goal from 14 percent to 20 percent.
- Extend the American Water Leading Supplier Academy to additional diverse and non-diverse organizations to increase the utilization of Minority, Women, and Disabled Veteran-owned businesses in its supply chain.

Economic Impact in Illinois: 2013–2015

Employment

- American Water employed an average of 1,036 (of which 450 are ILAW employees) people across the state of Illinois.
- American Water paid an average of \$52 million in salaries and wages to its employees in Illinois.

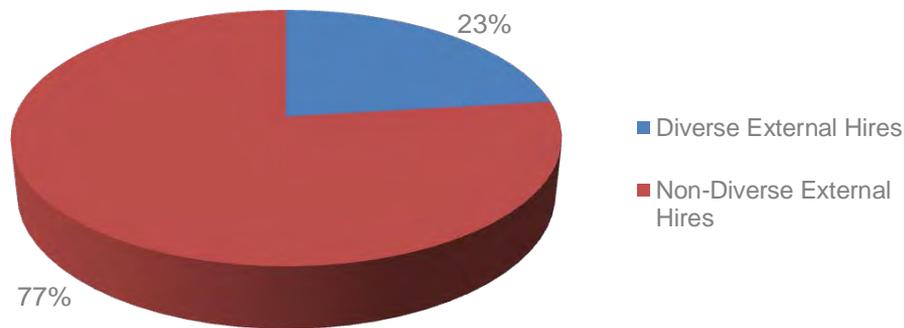
In 2015 alone:

- Every \$1 spent by American Water generated an additional 86 cents elsewhere in the Illinois economy.¹
- American Water's activities in Illinois supported an additional 1,686 jobs, \$107.4 million of activity and \$40 million of income.

¹Based on the *Economic Impacts of American Water Operations in Illinois on the State Economy* (2016) analysis conducted by the University of Illinois' Regional Economic Applications Laboratory.

A Changing Workforce: Diverse New Hires 2014-2015

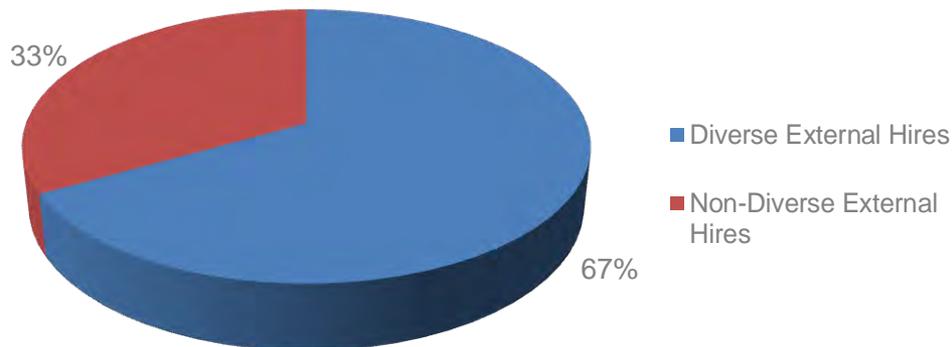
% of Diverse External Hires in 2014



Three Diverse New Hires in 2014

- 1 – M, W, V
- 1 – F, H
- 1 – F, W

% of Diverse External Hires in 2015



14 Diverse New Hires in 2015

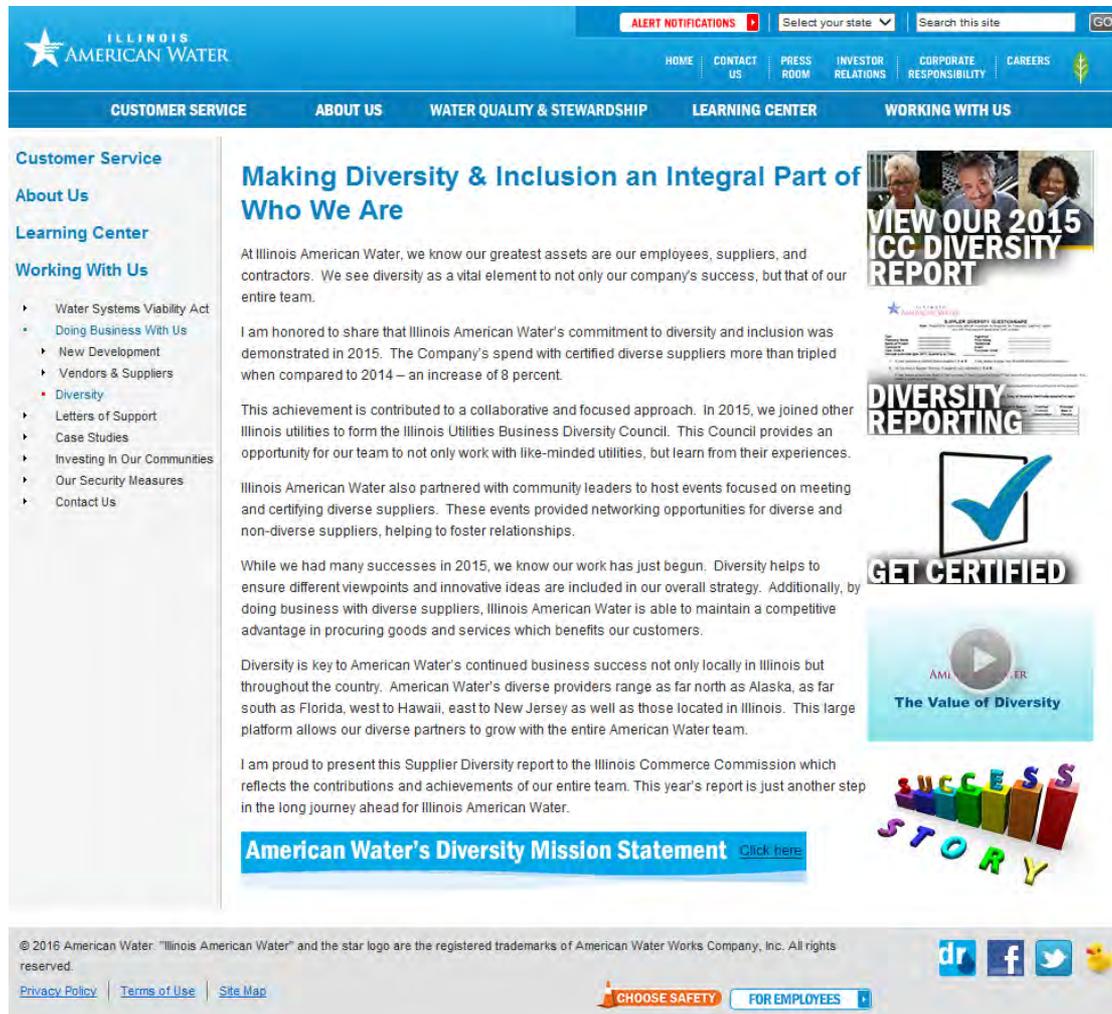
- 2 – M, AF, V
- 1 – M, AF
- 1 – M, H
- 3 – M, W, V
- 1 – F, AF, V
- 2 – F, H
- 1 – F, AF
- 3 – F, W

Energy Efficiencies in Illinois

- **Peoria Main Station Electrical Improvements**
 - \$5.7 million construction project
 - 1st Tier Contractor received their Diversity Certification on May 31, 2016, WBE
 - Will not claim spend in 2015 on project, but the remainder of the project will be counted towards our Diversity Goals.
- **East St. Louis Water Treatment Plant Electrical Improvements**
 - \$4.6 million construction project
 - Project has an excess of 15 percent diversity participation
 - ◆ 1st Tier Contractor is actively identifying additional diverse suppliers (i.e. Diversified Supply (MBE-AF-M) is providing electrical wiring, a direct result of the American Water Leading Supplier Academy Workshop held in February 2016).

Updated ILAW Diversity Website

<http://www.amwater.com/ilaw/working-with-us/doing-business-with-us/page25152.html>



The screenshot shows the ILAW Diversity website with a blue header and navigation menu. The main content area features the article "Making Diversity & Inclusion an Integral Part of Who We Are" with several paragraphs of text. A sidebar on the left lists navigation options like "Customer Service" and "Working With Us". On the right, there are promotional graphics for the "2015 ICC Diversity Report", "Diversity Reporting", and "Get Certified". A video player titled "The Value of Diversity" is also visible. At the bottom, there is a "Success Story" graphic and a footer with copyright information and social media links.

Customer Service

About Us

Learning Center

Working With Us

- Water Systems Viability Act
- Doing Business With Us
- New Development
- Vendors & Suppliers
- Diversity**
- Letters of Support
- Case Studies
- Investing In Our Communities
- Our Security Measures
- Contact Us

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Contact Us

ALERT NOTIFICATIONS | Select your state | Search this site

HOME | CONTACT US | PRESS ROOM | INVESTOR RELATIONS | CORPORATE RESPONSIBILITY | CAREERS

CUSTOMER SERVICE | ABOUT US | WATER QUALITY & STEWARDSHIP | LEARNING CENTER | WORKING WITH US

Making Diversity & Inclusion an Integral Part of Who We Are

At Illinois American Water, we know our greatest assets are our employees, suppliers, and contractors. We see diversity as a vital element to not only our company's success, but that of our entire team.

I am honored to share that Illinois American Water's commitment to diversity and inclusion was demonstrated in 2015. The Company's spend with certified diverse suppliers more than tripled when compared to 2014 – an increase of 8 percent.

This achievement is contributed to a collaborative and focused approach. In 2015, we joined other Illinois utilities to form the Illinois Utilities Business Diversity Council. This Council provides an opportunity for our team to not only work with like-minded utilities, but learn from their experiences.

Illinois American Water also partnered with community leaders to host events focused on meeting and certifying diverse suppliers. These events provided networking opportunities for diverse and non-diverse suppliers, helping to foster relationships.

While we had many successes in 2015, we know our work has just begun. Diversity helps to ensure different viewpoints and innovative ideas are included in our overall strategy. Additionally, by doing business with diverse suppliers, Illinois American Water is able to maintain a competitive advantage in procuring goods and services which benefits our customers.

Diversity is key to American Water's continued business success not only locally in Illinois but throughout the country. American Water's diverse providers range as far north as Alaska, as far south as Florida, west to Hawaii, east to New Jersey as well as those located in Illinois. This large platform allows our diverse partners to grow with the entire American Water team.

I am proud to present this Supplier Diversity report to the Illinois Commerce Commission which reflects the contributions and achievements of our entire team. This year's report is just another step in the long journey ahead for Illinois American Water.

American Water's Diversity Mission Statement [Click here](#)

VIEW OUR 2015 ICC DIVERSITY REPORT

DIVERSITY REPORTING

GET CERTIFIED

The Value of Diversity

SUCCESS STORY

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