



**Illinois Commerce Commission
Supplier Diversity Policy Session**

Charles Matthews
President

Peoples Gas and North Shore Gas

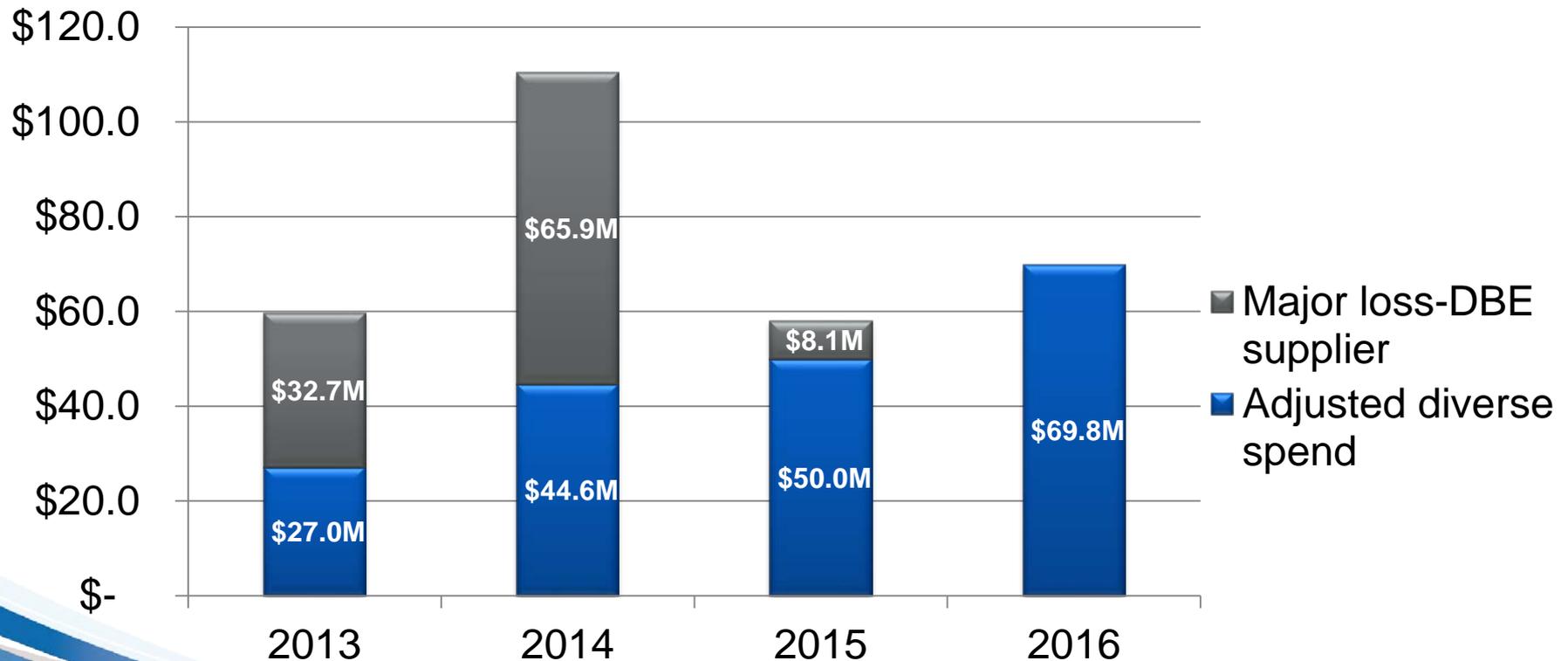
June 13, 2017

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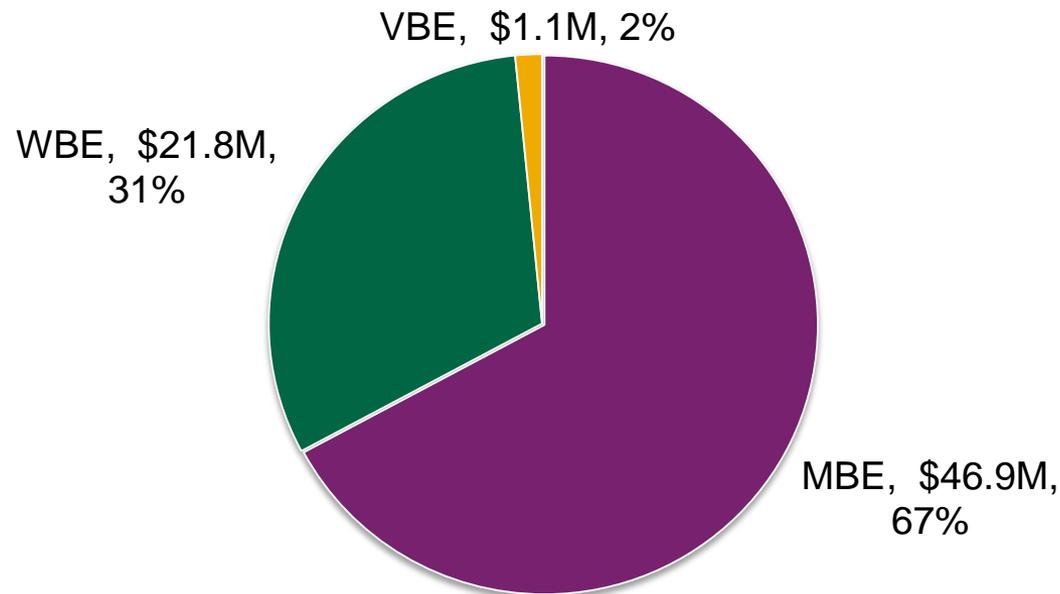
2016 Diverse Supplier Spend Results

- Achieved 17.8% of the targeted 17.3% goal
- \$65 million was 2016 goal
- \$69.8 million total spent with diverse suppliers



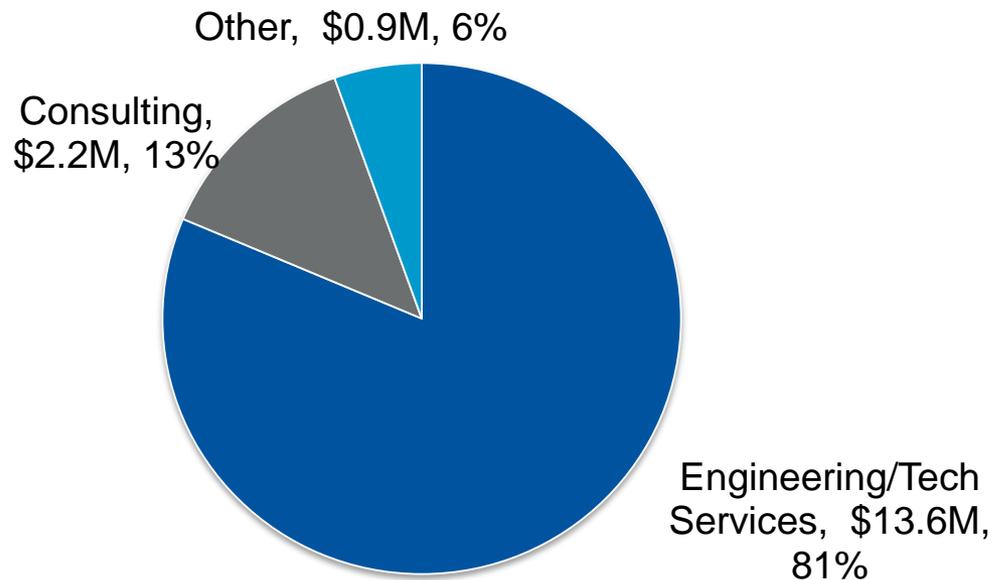
MBE Results

- Spent approximately \$47 million with MBEs in 2016
 - Six times what we spent in 2013 (\$7.3M)
 - 2016 MBE spending reflects a \$21.6 million or 85% increase from 2015
 - 67% of total diverse spend



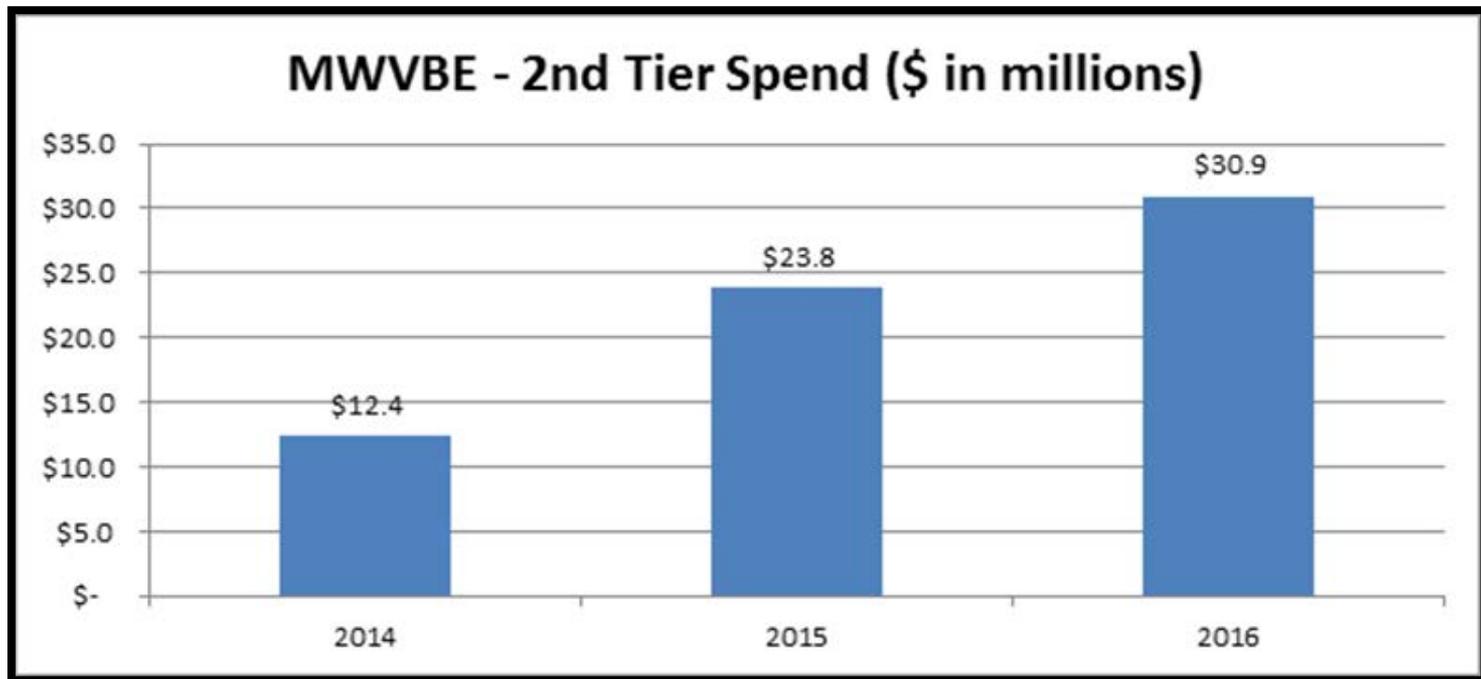
Professional Services

- Spending in the Professional Services categories accounted for \$16.7 million
 - \$8.2 million or 96% increase from 2015
 - Engineering/Tech Services and Consulting Services are the fastest growing spend categories



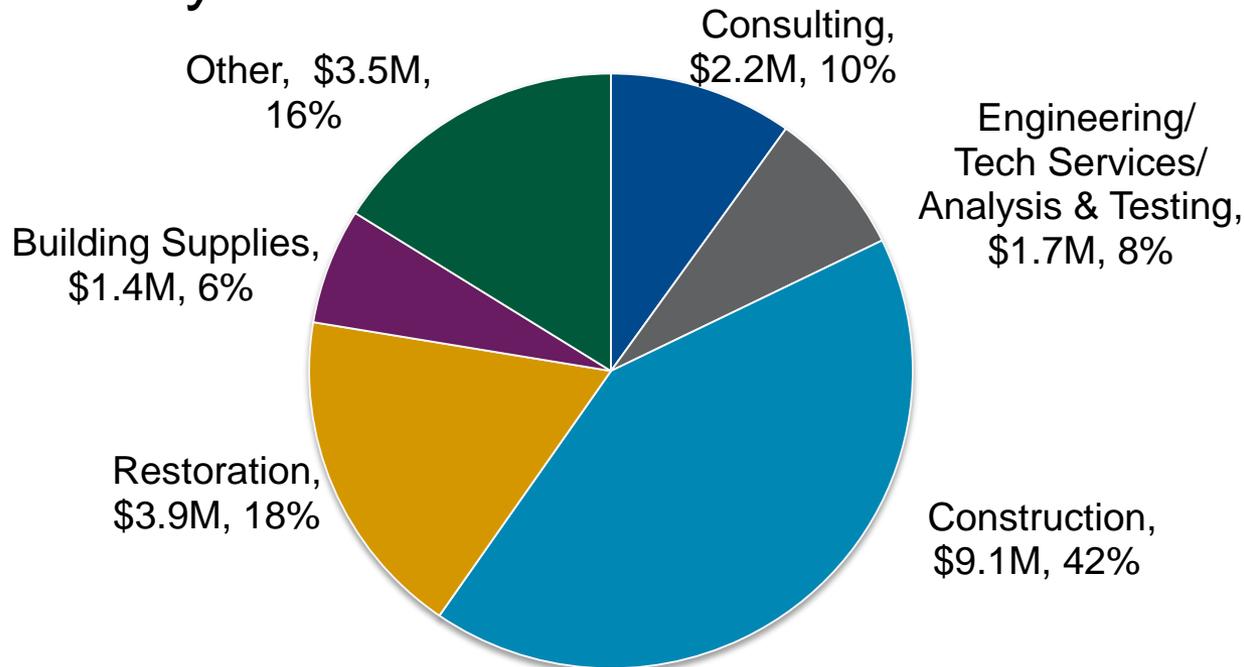
2nd Tier Results

- Achieved an average of 14.4%
- Top performance in key areas:
 - Engineering/Construction Management – 40.89%
 - Underground Construction – 24.56%
 - Environmental – 24.55%



WBE Results

- Spent \$21.8 million with WBEs in 2016
 - \$9.9 million reduction from 2015
 - Does not include an increase of \$3.2 million with minority women



Continuing Challenges

- Limited vendors with underground construction experience
- Need for highly specialized skills, especially for gas storage and transmission facilities projects
- Market competitiveness



Economic Impact

- 86% or \$60.2 million of total \$69.8 million was spent with diverse Illinois-based suppliers
 - Significant increase over 2015 where \$32.2 million or 55% was spent



Questions?



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Thank you.

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