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2015 ANNUAL REPORT ON SUPPLIER DIVERSITY

for ILLINOIS COMMERCE COMMISSION

04/15/2016

220 ILCS 5/5-117

SUPPLIER DIVERSITY GOALS



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I. President's Message



Bruce Hauk, President

MAKING DIVERSITY & INCLUSION AN INTEGRAL PART OF WHO WE ARE

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 that 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, and 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.

At Illinois American Water, we know our greatest assets are our employees, suppliers, and contractors. 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 – a journey we are proud to take part in.

Bruce Hauk
President, Illinois American Water

II. Terms and Definitions

DEFINITIONS OF MINORITY SUPPLIERS

2.1 “Certified” means currently certified as MWDVBE by an authorized certifying body, such as the National Minority Supplier Development Council (NMSDC) or its affiliate regional councils, the Women’s Business Enterprise National Council (WBENC) or its affiliate regional councils, the California Public Utility Commission (CPUC) Clearinghouse, or other similar local, state, or federal certifying body.

2.2 “Control” means overall fiscal/legal responsibility and exercising the power to make policy decisions.

2.3 “Owned” means at least fifty-one percent (51%) of the business or, in the case of a publicly owned business, at least fifty-one percent (51%) of the stock is owned by a minority, woman or service-disabled veteran.

2.4 “Minority-owned Business Enterprise (MBE)” means a business concern in which at least fifty-one percent (51%) of the ownership and control is held by individuals who are members of a minority group and of which at least fifty-one percent (51%) of the net profits accrue to members of a minority group. Such persons include, but are not limited to, Black Americans, Hispanic Americans, Asian Pacific Americans (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the former U.S. Trust Territory of the Pacific Islands [Republic of Palau, the Commonwealth of the Northern Mariana Islands, Republic of the Marshall Islands, Federated States of Micronesia] Laos, Cambodia [Kampuchea], Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru); Subcontinent Asian Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal); Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians); and members of other groups designated by the U.S. Small Business Administration as minorities.

2.5 “Women-owned Business Enterprise (WBE)” means a business concern which is at least fifty-one percent (51%) owned and controlled by a woman or women or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by a woman or by women. Such women’s business enterprise shall further be classified as either minority or non-minority women-owned business, depending upon the greater portion of ownership.

2.6 “Veteran-owned Business Enterprise (VBE)” means a business concern that is at least fifty-one percent (51%) owned and controlled or, in the case of a publicly owned business, at least fifty-one percent (51%) of the stock is owned by an owner or owners who are veterans of the U.S. military, ground, navel, or air service, who (a) served on active duty for a period of more than one hundred and eighty (180) days and were discharged or released with other than a dishonorable discharge or (b) were discharged or released from active duty because of a service-connected disability.

2.7 “Service-disabled Veteran” means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected as defined in 38 U.S.C. 101(16).

II. Terms and Definitions

2.8 “Service-disabled Veteran-owned Business Enterprise (SDVBE)” means a business concern that is (a) at least fifty-one percent (51%) owned by one or more service-disabled veterans or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by one or more service-disabled veterans or, (b) in the case of a veteran with a permanent and severe disability, the spouse or permanent caregiver of such veteran.

2.9 “Historically Underutilized Business (HUB)” means a business located in a “historically underutilized business zone,” owned and controlled by one or more U.S. Citizens, and at least 35% of its employees must reside in a HUBZone. It must appear on the list of Qualified HUBZone Small Business Concerns maintained by the SBA.

2.10 “Small Disadvantaged Business (SDB)” means a “for profit” business:

1. That qualifies as “small” per the SBA Table of Small Business Size Standards Matched to North American Industry Classification System Codes, and
2. that is at least fifty-one percent (51%) unconditionally owned by one or more U.S. citizens who are socially and economically disadvantaged individuals, and
3. whose management and daily business operations are controlled by one or more U.S. citizens who are socially and economically disadvantaged individuals, and
4. the personal net worth of each individual claiming economic disadvantage is less than \$750,000 (except for tribes, Alaskan Native Corporation-Owned Concerns [ANCs], Community Development Corporation-Owned Concerns [CDCs] and Native Hawaiian Corporation-Owned Concerns [NHOs]).

Note: ANCs, NHOs, or CDCs, must meet the “ownership”, “management”, and “control” criteria in Title 13 of the Code of Federal Regulations, Part 124.109, 124.110 and 124.111, respectively.

2.11 “Small Business 8A (SMB-8A)” is a designation given to small companies owned by socially and economically disadvantaged persons, so that they may bid and obtain federal government contracts and other assistance to develop their business. The business owner must be eligible under the same rules and guidelines set down by the federal government.

2.12 “Disabled-owned Business Enterprise (DBE)” means a business that is usually certified by a federal, state or local government agency as having met all of the government standards that award eligibility, but may include women, minority, disabled and other disadvantaged by as a result of economic disadvantages with respect to education, employment, residence or business location or social disadvantage and lack of business training.

III. Summary of Women-Owned, Minority-Owned, Veteran-Owned, and Small Business Enterprise Goals and Spending in the Previous Calendar Year

MWVSBE Program Reporting - American Water Expenditure and Vendor Utilization

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.

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.

IV. Policies and Methodology

(A) Company Diversity Procurement Policy

PRACTICE NAME: SUPPLIER DIVERSITY PRACTICE

FUNCTIONAL AREA: OPERATIONS SERVICES SUPPLY CHAIN

PRACTICE NUMBER: ops_spl_pr_08_supplierdiversity_2009_06_16.doc

Purpose

The objective of this Practice is to ensure that qualified diverse suppliers are given the opportunity to compete for business with American Water Works Company, Inc. and its controlled subsidiaries (together “American Water” or the “Company”).

Applicability

This Practice supports the Supplier Diversity Policy and Procurement Policy.

Practice

When soliciting suppliers through Competitive Procurement, American Water employees will include qualified diverse suppliers, or document why no qualified diverse suppliers were included in the procurement process. Information on “How to Find a Diverse Supplier” is located on the Company Intranet under Services/Operations Services/Supply Chain/Supplier Diversity.

When a sourcing effort is complete and a contract is awarded to a supplier, the Contract Owner will document their efforts to include a qualified diverse supplier on the “Supplier Diversity Program – Participation Reporting Form” (The form is located on American Water’s Intranet).

Supply Chain department employees, when facilitating a Competitive Procurement event, will be required to include this information in their category strategy documentation. Once Competitive Procurement is completed, the Contract Owner or designee will email the “Supplier Diversity Program – Participation Reporting Form” to AW Supply Chain.

The form will include, and Supply Chain department will record, the following information:

- Whether or not a diverse supplier was included in the Competitive Procurement.
 - » If no, then include the reasons for not including a diverse supplier (e.g. a qualified diverse supplier was a viable option).
 - » If yes, then include:
 - a. Diversity classification of those diverse suppliers included (e.g. Women-owned, Minority-owned, Self-Certified Minority-owned);
 - b. Whether or not a contract was awarded to one or more certified diverse suppliers and/or self-certified diverse suppliers.

IV. Policies and Methodology

The Supply Chain department shall facilitate a cross-functional Supplier Diversity team with members representing Supply Chain, Engineering, AWE Military Services Group, AWE Contract Operations and other AWE lines of business or operating units as appropriate. The purpose of this team will be to exchange information, discuss best practices, develop implementation strategies for the Company's supplier diversity policy and practice, review the compilation of the Company's supplier diversity metrics, and develop action plans when necessary for remediation and/or improvement.

The Supply Chain department will provide the following program guidance on supplier diversity issues:

- Provide access to online databases to help American Water to identify diverse suppliers.
- Maintain supplier diversity information on the American Water Intranet site.
- Act as a liaison with industry and trade associations, government agencies, and special emphasis groups to develop and maintain a communication and information system on diverse supplier issues (e.g. benchmarking studies and policy updates).
- Participate in activities that promote supplier development and diversity, such as business forums, workshops, seminars, symposiums, business opportunity fairs and trade shows.
- Maintain a standardized system of tracking diverse suppliers in the company Enterprise Resource Planning (ERP) system.
- Communicate with incumbent suppliers (both diverse and non-diverse) regarding the annual reporting of 2nd tier diverse supplier spending.
- Provide the annual regulated utility commission reports for the states that are required to do so.
- Participate in supplier diversity groups sponsored or supported by state utility regulatory agencies.

Organizational Responsibilities

Supply Chain will facilitate quarterly meetings with the Company's Supplier Diversity team and manage American Water's Supplier Diversity Program. Contract Owners will ensure that the "Supplier Diversity Program – Participation Reporting Form" is completed upon the award of contracts, or that the required information is provided in the Supply Chain department's category strategy documentation.

Reporting/Metrics

Supply Chain will run a report each quarter in order to provide information regarding the following:

1. Percentage of Competitive Procurement events that included a qualified diverse supplier;
2. Percentage per diversity classification (e.g. Women-owned, Minority-owned, Disabled Veteran-owned) of the included diverse suppliers;
3. Percentage of contracts awarded to diverse suppliers;
4. American Water's participation in supplier diversity trade show and networking events;
5. Monies spent with diverse suppliers by diverse supplier classification.

Please note American Water is currently updating its Diversity Practices.

IV. Policies and Methodology

(B) Schedule of Exclusions

EXCLUSIONS

With the exception of purchased water and power, Illinois American Water includes all categories of products and services allowed to define the overall Procurement Volume.



ILLINOIS AMERICAN WATER
Chicago Metro District
Maintenance Crew

IV. Policies and Methodology

(C) Definition of Supply Chain Procurement Categories

SIC CODES AND DEFINITIONS FOR DIVERSITY SPEND BREAKOUT TABLES

Professional Services

- 6189 Asset-Backed Securities
- 6199 Finance Services
- 6200 Security & Commodity Brokers, Dealers, Exchanges & Services
- 6211 Security Brokers, Dealers & Flotation Companies
- 6221 Commodity Contracts Brokers & Dealers
- 6282 Investment Advice
- 8711 Services - Engineering Services
- 8741 Services - Management Services
- 8742 Services - Management Consulting Services

Construction

- 623 Water, Sewer, Pipeline, Comm & Power Line Construction
- 1700 Construction - Special Trade Contractors
- 1721 Tank Painting & Repair
- 3530 Construction, Mining & Materials Handling Machinery & Equipment
- 3531 Construction Machinery & Equipment
- 3559 Special Industry Machinery, NEC
- 3560 General Industrial Machinery & Equipment
- 3561 Pumps & Pumping Equipment

Operations & Maintenance (O & M)

Goods

- 2800 Chemicals & Allied Products
- 2890 Miscellaneous Chemical Products
- 3317 Steel Pipe & Tubes
- 3320 Iron & Steel Foundries
- 3452 Bolts, Nuts, Screws, Rivets & Washers
- 3823 Industrial Instruments for Measurement, Display, and Control
- 3824 Totalizing Fluid Meters & Counting Devices

Services

- 0782 Landscaping
- 1731 Electrical Work
- 7349 Building Cleaning & Maintenance Services
- 7600 Services - Miscellaneous Repair Services

Fleet

- 350 Services - Miscellaneous Equipment Rental & Leasing
- 5541 Gasoline / Diesel Service Stations (Fuel)
- 7359 Services - Equipment Rental & Leasing, NEC
- 7530 Automotive Repair
- 7699 Heavy Equipment Repair

V. Supplier Diversity Goals

AMERICAN WATER CORPORATE SUPPLIER DIVERSITY

Mission Statement

As we evolve in the way we do business at American Water, supplier diversity is essential to our success. Supplier diversity is one of the many ways that we support the customers and communities that support us and helps small and diverse businesses grow. The strategic partnerships we forge with suppliers not only create a positive impact in our community, but also drive value for our company, today and in the future.

Corporate Website: www.amwater.com/working-with-us/page23545.html

Illinois American Water Website: www.amwater.com/ilaw/working-with-us/doing-business-with-us/page25152.html

Category	2014 Goals	2015 Goals	2016 Goals
MBE	5.00%	5.50%	5.75%
WBE	2.00%	2.25%	2.50%
VBE	2.00%	2.25%	2.50%
SMB	1.00%	1.00%	1.25%

2016 Short-Term Goals

Illinois American Water will continue to focus on ensuring the inclusion of diverse suppliers in all sourcing opportunities within the organization. In 2016, Illinois American Water Supply Chain continues to emphasize the importance of diversity with Prime contractors in 2nd tier reporting, including subcontracting requirements within all of the bidding activities with Prime suppliers.

Illinois American Water continues to audit existing supply chain vendors and identify previously unrecognized MWDVBE suppliers who were not certified, and aid in their certification. The Supplier Diversity team will continue to support MWDVBE suppliers in Prime and 2nd tier opportunities within our supply chain database to develop a strong base of MWDVBE suppliers. American Water strongly encourages its Prime suppliers to provide meaningful contracting opportunities to Minority, Women and Disabled Veteran-owned business enterprises. Because we understand the value added by the development of diverse businesses, we promote supplier diversity throughout our existing supply base.

2nd tier supplier diversity spend serves as an enhancement to, and not as a replacement for, existing initiatives aimed at increasing meaningful opportunities for Minority, Women and Service-disabled Veteran-owned business enterprises to participate in American Water's supply chain.

We consider 2nd tier supplier diversity by our Prime suppliers to be an important component of our Supplier Diversity Program. American Water evaluates supplier diversity in its RFP decision matrix, and we ask our Prime suppliers to participate in our Supplier Diversity Program (including reporting on their supplier diversity efforts).

V. Supplier Diversity Goals

We require our Prime suppliers to report their procurement with diverse suppliers via our quarterly reporting requirement. Prime suppliers participating in the American Water 2nd tier program are required to report their quarterly spending with diverse suppliers by completing a reporting form online. American Water periodically audits supplier's reported 2nd tier spend. 2nd tier opportunities allow American Water to expand its supply chain opportunities and large Prime suppliers to integrate diverse suppliers into their supply chain. 2nd tier opportunities also provide the potential for diverse suppliers to partner with other diverse suppliers to expand scale and scope.

In 2016, internal training was provided to offer a greater understanding of supplier diversity and the value achieved by Illinois American Water by working with a diverse supply chain which offers innovation, collaboration and cost savings within the supply chain.

2016 Mid- and Long-Term Goals

In 2016, Illinois American Water will continue to enhance reporting capabilities via technology to establish the ability to report spend via SIC codes. Roll out of the SAP enhancement is not expected until the 3rd quarter of 2016. During the updated supplier onboarding process, the supply chain will have the ability to capture SIC codes and diversity category to ensure accurate data is provided in the annual filings.

Illinois American Water's plan to increase spend with underutilized MWDVBE's includes proper identification of existing suppliers already approved in our database, development of MWDVBE's via mentor protégé programs specifically tied to long-term projects, and year over year increases of MWDVBE spend to achieve diversity mirroring our corporate goals. Identification of 1st and 2nd tier diversity suppliers will be done via the Supplier Diversity Questionnaire (Appendix 1).

As we continue the growth of the Supplier Diversity program within Illinois American Water, we will extend the American Water Leading Supplier Academy to additional diverse and non-diverse organizations in 2016.

The Leading Supplier Academy Program will help our major product and service providers increase the utilization of Minority, Women, and Disabled Veteran-owned businesses in their supply chain. This program will assist Prime suppliers in the development and/or enhancement of their own Supplier Diversity program, which enables our vendors to develop new business relationships and stronger business practices. It will also provide and enhance opportunities for Minority, Women, and Veteran-owned businesses to participate in the American Water procurement process through Prime suppliers doing business with American Water.

American Water will provide an opportunity for any product or service provider with contracts totaling at least \$1 million and not currently meeting their 2nd tier commitments to participate in the Leading Supplier Academy.

The overall purpose of this program is to expand and broaden the available opportunities for diverse business enterprises. The Leading Supplier Academy will function in conjunction with American Water's continued efforts to expand and grow our direct supplier procurement.

V. Supplier Diversity Goals

ILAWC 10-YEAR PLAN: UPDATE FOR 2016

American Water's Supplier Diversity goal is to drive diverse supplier selection strategy while we ensure compliance with Federal Acquisition Requirements, State Law, Company Policy and internal bidding requirements. Diverse Suppliers/Contractors/Engineers shall be technically competent and provide Goods and/or Services that are commercially competitive, and that meet or exceed the form, fit and function desired by American Water. Supplier Diversity is one of the essential keys to American Water's business development.

At American Water, diverse suppliers are those with 51% ownership held by a Minority, Woman, Veteran, Disabled Veteran, Hub Zone or Small Business 8A, which are federally recognized as diverse.

Prior to and in conjunction with Public Act 98-1056, Illinois American Water Company (ILAWC) is committed to supporting Supplier Diversity in the state of Illinois. ILAWC is a Charter Member of the newly organized Illinois Utilities Business Diversity Council, formed by the members of the Illinois Energy Association. The Charter of the Council is to promote diversity among the five major utility companies of Illinois.

The Illinois American Water Company's Supplier Diversity is a commitment to our customers to find and develop qualified diverse suppliers to meet our business needs. The goal is to align our purchasing strategy to reflect our diverse customer base. The Illinois American Water Company's Supplier Diversity is not a set aside program, but rather promotes qualified suppliers who foster innovation and competitiveness while supporting our local communities' economic development.

Supplier Diversity Strategy = Awareness + Opportunity + Access

Additional information on Illinois Supplier Diversity may be found on our website at: www.amwater.com/working-with-us/page23545.html

Our Plan

2014 was Illinois American Water's base year for diversity spend of 3.68% (1st, 2nd, indirect spend). The base year percentage included diverse organizations who are certified through recognized certifying agencies (agencies recognized by American Water are notated in Section VIII of this report).

Illinois American Water's goal for 2015 was **4.68%**; through the collaborative effort of our team we achieved **11.67%** through certified diverse organizations. From our success and per the incremental spend increases in our 10-year plan, Illinois American Water's diversity spend goal for 2016 is **13%**. Therefore, the multiyear certified diversity goals were adjusted to reflect 2015's achievement.

V. Supplier Diversity Goals

Years Two through Three (2016–2017)

- ◆ Goal of qualified spend to “Certified” diverse suppliers. (With the exception of purchased water and power, Illinois American Water includes all categories of products and services allowed to define the overall Procurement Volume.)
 - » 2016: 13%
 - » 2017: 14%
- ◆ Ensure existing ILAWC diverse suppliers in our database are registered through a recognized certifying body (ie. NMSDC, WBNEC, DGS, Illinois State Agencies, etc).
- ◆ Sharing of Best Practices and qualified diverse providers as recommended by other utilities of Illinois Utilities Business Diversity Council.
- ◆ 2nd tier growth and development of diverse suppliers.
- ◆ Refine Mentor Protégé Program specifically for ILAWC.

Years Four through Six (2018–2020)

- ◆ Increase goal of qualified spend to:
 - » 2018: 15%
 - » 2019: 16%
 - » 2020: 17%
- ◆ Transition of 2nd tier diverse suppliers to 1st tier with proven track record.
- ◆ Have best in class Supplier Diversity Program for Illinois utility companies.

Years Seven through Ten (2021–2024)

- ◆ Increase goal of qualified spend to:
 - » 2021: 17.75%
 - » 2022: 18.50%
 - » 2023: 19.25%
 - » 2024: 20%

Multi-year Activities

- ◆ Promote and support the Diverse Goals and Ideals set forth by the Illinois Commerce Commission.
- ◆ Advocate for diverse suppliers reflecting ILAWC customer base.
- ◆ Communication within ILAWC of the program and promote organic growth (Internal Champions) within ILAWC.
- ◆ Communication with existing and new ILAWC suppliers that diversity is expected to be supported by our Suppliers, Engineers and Contractors.
 - » ILAWC and our Suppliers, Engineers and Contractors must speak with one voice that diversity is part of American Water’s business plan.
 - » Inquire about ownership of our suppliers to determine if they are registered as a diverse supplier. If they are, but aren’t registered, facilitate the process.

V. Supplier Diversity Goals

- ◆ Attend Supplier Diversity National Advocacy Programs that support the ILAWC Diversity Program strategy.
- ◆ Host and/or co-host Supplier Diversity Workshops in local Illinois communities.
- ◆ Host American Water Leading Supplier Academy (LSA) Workshops.
 - » Pairing best in class diverse suppliers with American Water key suppliers (National & Local).
- ◆ Support the goals and objectives of the Illinois Utilities Supplier Diversity Council.

Diverse Spend Measurement Goals

- ◆ Utilize 2014 as a base year for diverse spend for ILAWC.
 - » **Base year percentage: 3.68%** (1st, 2nd, indirect spend). Base year percentage will only contain diverse organizations who are certified through recognized certifying agencies such as the National Minority Supplier Development Council (NMSDC) or its affiliate regional councils, the Women's Business Enterprise National Council (WBENC) or its affiliate regional councils, the California Public Utility Commission (CPUC) Clearinghouse, or other similar local, state, or federal certifying body.
- ◆ Increase diverse spend by 1% each year over previous year's actuals through year 2024.
 - » To reflect the **11.67%** certified diverse spend achievement in 2015, future target goals were adjusted for years three through ten in the ILAW 10-year plan. Additionally, ILAW's year ten goal was increased from 14% to **20%**.
 - » Review incremental diverse spend goals after year three and year six, adjust goals and modify plan as appropriate. Note, plan may be modified more frequently due to changes in regulatory requirements.
 - » Review process after year 2024 and modify as needed to meet current federal, state, local and internal requirements.
- ◆ Diverse Spend Data Collection
 - » Spend data on 1st tier suppliers is recorded through American Water's Procurement System when a payment is made to the supplier.
 - » The initial/proposed 2nd tier diversity spend is collected during the bidding process via the Supplier Diversity Questionnaire form (Appendix 1). The actual 2nd tier spend is recorded only when the 1st tier supplier reports their respective spend in their quarterly updates. To ease the 2nd tier reporting requirements in 2016, American Water has adopted a new form, Supplier Diversity Quarterly 2nd Tier Supplier Report (Appendix 2). Appendix 2 is the true up between contract award diversity goals (Appendix 1) versus the actual performance. Appendix 2 becomes the auditable performance document.

VI. Areas of Procurement for 2016

Illinois-American Water Company will be looking for providers in the following categories in 2016, either as Prime (1st tier) providers or as a subcontractor (2nd tier):

PROFESSIONAL SERVICES

- Engineering Services
- Legal
- Material Testing
- IT Services

SUBCONTRACTORS

- Civil
 - » Earthwork and Grading
 - » Yard Piping
 - » Paving
- Fencing
- Landscaping (Arborist)
- Structural Concrete
- Iron Work
- Masonry
- Pre-Engineered Metal Buildings
- Building Remodeling
- Painting & Coatings
- Steel Storage Tanks
- Mechanical
 - » Plumbing
 - » HVAC
 - » Process Mechanical
- Electrical
- Traffic Control
- Filter Maintenance
- Media Replacement
- Waste (Residual) Disposal

SUPPLIERS

- Rock and Sand
- Ready Mix Concrete
- PVC/HDPE Pipe
- DI Pipe
- Valves
- Pumps
- Mechanical Process Equipment
- Electrical Supplies & Equipment

GENERAL

- Specialty IT Equipment (i.e. instrumentation and office)
- Janitorial Service
- Safety Equipment
- Temporary Utilities/Facilities

FLEET

- Vehicles
- Repair
- Specialty Trench Construction Equipment (i.e. back hoe)

VII. Challenges in Supplier Diversity at American Water

Illinois American Water's business landscape changes year over year, resulting in a dynamics business and diversity model. The capital plan varies base on our corporate guidelines and Illinois American Water resource needs. Our diversity strategy must be reevaluated each year to meet this changing landscape. For example, in 2015 Illinois American Water purchased back hoes totaling \$1.3 million from a Native American company; in 2016 a spend of only \$305,000 is required.

It is the mission of Illinois American Water to do business with diverse suppliers in the communities we serve to ensure that we provide reciprocal support to our customer base. The implementation of our 2nd tier programs has been a joint effort, which at times became a challenge as we worked to enhance the minority spend within our supply chain.

In 2015, the Supplier Diversity team continued to educate and build infrastructure within Supplier Diversity, while implementing the 2nd tier program. The efforts of the Supplier Diversity team and the commitment of leadership have positioned the program for greater success in 2016.

Although we were able to identify quite a few Veteran-owned businesses within our supply chain, the road to certification continues to be difficult amid varying requirements from different certifying agencies. Most of the Veteran-owned businesses we identified in 2014 are yet to be certified. The internal issues of certifying organizations affected 2014 and 2015 results, but the joint utilities are working as a community to support suppliers in their certification processes.

As Illinois American Water is spread throughout the state of Illinois, we continue to seek out diverse suppliers within our footprint to provide opportunities within procurement. The Supplier Diversity team is diligently working to educate the diverse supplier population on the opportunities Illinois American Water affords to MWDVBE suppliers and align them with internal partners.

Supplier Diversity challenges are minimal when we are able to connect qualified, certified diverse suppliers to our supply chain to continue with Illinois American Water's commitment to safety, cost efficiency and innovation.

In 2015, as we worked to increase the spend with MWDVBE suppliers, we added two professional MBE African American companies to our database and are further growing their involvement in 2016. Although we are able to find and help certify SMBs and WBEs in the rural areas of the state, it's a challenge to find competitive MBE firms in these remote locations.

We are committed to continuing to connect best in class suppliers as we develop our diverse supply base. Therefore, 2nd tier continues to be an opportunity to build the capacity of MWDVBE suppliers within the Illinois American Water supply chain as we develop MWDVBE suppliers to become Prime suppliers within our organization. In 2015, we moved several 2nd tier suppliers to 1st tier including Flynn Engineering (WBE), Juneau Associates (VBE), and TSi Engineering (now TSi Geotechnical) (MBE-African American & Veteran).

Successful minority businesses are prime targets for larger company acquisition, which may lead to the loss of diverse spend in its entirety by new ownership or change in its diverse status. An example is Primera Engineers Ltd in Chicago who in 2015 was classified as Professional MBE-Hispanic Female-owned, but because of new ownership in 2016, Primera will be classified as Professional Women-owned.

VIII. Certifications Accepted

American Water Recognized Certification Agencies

SBA Small Business Administration

Certification Type: Small Business; Small Women-owned Business
Supplier Processing Fee: No fee to vendor
Validation Period: Annually
Address: 409 3rd Street, NW
Washington, DC 20416
Phone: (800) 659-2955
Website: www.sba.gov

Service Disabled Veteran Owned Business Enterprises

Certification Type: Disabled Veteran Business
Supplier Processing Fee: No fee to vendor
Validation Period: 3 years
Phone: (866) 584-2344 or (202) 303-3260
Website: www.vetbiz.gov

Department of General Services, Procurement Division, Office of Small Business and DVBE Services (OSDS)

Certification Type: For California-based Disabled Veteran Businesses
Supplier Processing Fee: No fee to vendor
Validation Period: Up to 2 years
Office Address: 707 3rd Street, First Floor, Room 400
West Sacramento, CA 95605
Mailing Address: P.O. Box 989052
West Sacramento, CA 95798-9052
Phone: (916) 375-4940 or (800) 559-5529
Website: www.eprocure.dgs.ca.gov

State of Washington Department of Veteran Affairs

Certification Type: For Washington-based Disabled Veteran Businesses
Supplier Processing Fee: No fee to vendor
Validation Period: 3 years
Address: 1102 Quince Street SE
Olympia, WA 98504-1155
Phone: (800) 562-0132, option '1'
Website: www.dva.wa.gov/BusinessRegistry/default.aspx

FOR DIVERSE MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISES

CA Public Utility's "Supplier Clearinghouse"

Certification Type: Minority and Women-owned Business
Supplier Processing Fee: No fee to vendor
Validation Period: 3 years
Vendors who are already certified by the NMSDC and/or WBENC will have a shortened Comparable Agency Verification filing process.
Address: 606 South Olive Street, Suite 1120
Los Angeles, CA 90014
Phone: (800) 359-7998
Website: www.thesupplierclearinghouse.com

VIII. Certifications Accepted

National Minority Supplier Development Council (NMSDC) – *Including all of its affiliated regional councils*

Certification Type: Minority-owned Businesses - Regional/National

Supplier Processing Fee: Fee to vendor

Validation Period: 1 year

Address: 1040 Avenue of Americas, 2nd Floor
New York, NY 10018

Phone: (212) 944-2430

Website: www.nmsdcus.org

Women's Business Enterprise National Council (WBENC) – *Including its regional partner organizations*

Certification Type: Women-owned Business

Supplier Processing Fee: Fee to vendor

Validation Period: 1 year

Address: 1120 Connecticut Avenue NW, Suite 950
Washington, DC 20036

Phone: (202) 872-5515

Website: www.wbenc.org

Illinois American Water Recognized Certification Agencies

Illinois Department of Central Management Services (CMS)

Address: 100 West Randolph Street, Suite 4-100
Chicago, IL 60601

Phone: (312) 814-4190

Website: www2.illinois.gov/cms/business/sell2/bep/Pages/Default.aspx

Illinois Department of Transportation

Bureau of Small Business Enterprises

Address: 2300 South Dirksen Parkway, Room 319
Springfield, IL 62764

Website: www.idot.illinois.gov/doing-business/certifications/disadvantaged-business-enterprise-certification/index

Cook County

Office of Contract Compliance

Diversity Management System

Address: 118 North Clark Street, Room 1020
Chicago, IL 60602

Phone: (312) 603-5502

Website: <https://cookcounty.diversitycompliance.com/FrontEnd/StartCertification.asp>

City of Chicago

Procurement Services

Certification and Contract Compliance

Address: 121 North LaSalle Street, #403
Chicago, IL 60602

Phone: (312) 744-4900

Website: <https://chicago.mwdbe.com/FrontEnd/StartCertification.asp?XID=607&TN=chicago>

Other Illinois state organizations and municipality certifying agencies on a case by case basis.

VIII. Certifications Accepted

Missouri American Water Recognized Certification Agencies

City of St. Louis

Office of Diversity and Inclusion

City Hall

Address: 1200 Market Street, Room 200

St. Louis, MO 63103

Phone: (314) 622-4068

Website: www.stlouis-mo.gov/government/departments/mayor/initiatives/Inclusion/

Missouri Department of Transportation

Equal Opportunity and Diversity Division

Address: 830 MoDOT Drive

P.O. Box 270

Jefferson City, MO 65102

Phone: (573) 526-5611

Fax: (573) 526-5918

Email: equalopportunity@modot.mo.gov

Website: modot.org/EqualOpportunity

IX. Points of Contact

EXECUTIVE OFFICER

Bruce A. Hauk

President

Illinois American Water

Address: 100 North Water Works Drive

Belleville, IL 62223

Office: (618) 239-3247

Email: ilaw.president@amwater.com

ADMINISTRATION

Jerry K. Garland

Senior Capital Buyer

Illinois American Water

Address: 100 North Water Works Drive

Belleville, IL 62223

Office: (618) 239-3285

Email: il.supplierdiversity@amwater.com

X. Diversity Success Stories and Accomplishments

YUKON EQUIPMENT

Anchorage, Alaska

www.yukoneq.com

Founded in 1945, Yukon Equipment, Inc. is an Alaska Native-owned heavy equipment dealer specializing in sales of new and used construction equipment, repairs, rental, parts and service. Since being certified as a minority-owned business, Yukon Equipment has provided Case Construction backhoes to Illinois American Water and offered greater value by lowering acquisition cost. Yukon Equipment has partnered with American Water in other markets and the Military Services Group.



“The nice thing about the military division is they need more than just Case equipment,” stated John West, general manager and sales manager of Yukon Equipment. “I probably wouldn’t be able to thank our Case rep enough for connecting us with Illinois American Water for new opportunities, as a result of this relationship.”

Yukon Equipment is a 2nd tier provider that partners with local, regional and national customers. “We want to help the IUBDC meet its goals,” said John. “We also plan to attend national supplier diversity conventions to help us partner with other diverse businesses.”

PANGEA ENGINEERING AND SURVEYING

St. Louis, Missouri

www.pangea-group.com

Pangea Engineering and Surveying, has a veteran staff from the engineering and surveying fields able to assist client’s needs in the commercial, federal, municipal and public works arenas. Pangea, a Hispanic American-owned firm, has received certification as a Disadvantaged Business Enterprise (DBE) from the Regional Certification Committee. Also, the company currently holds a Minority Business Certification (MBE) through the Mid-States Minority Supplier Development Council.



Pangea has partnered with American Water since 2013, providing geotechnical, environmental, construction and surveying services in Southern Illinois.

X. Diversity Success Stories and Accomplishments

“There has definitely been growth with Illinois American Water, due to their commitment to diversity in the minority community,” stated Stephen Boergerhoff, surveying manager of Pangea Engineering and Surveying. “Our first design/survey project was in August 2014. Since then, we have completed nine other projects in Southern Illinois.”

“With Illinois American Water’s help, the Pangea team has been able to successfully expand its market from construction to providing design, survey and oversight on water main projects.” stated Stephen.

Pangea’s President Mike Zambrana agrees, saying: “Illinois American Water’s grass roots commitment to diversity has been clear since our introduction. It has helped sustain and create new jobs in the minority community.”

FLINN ENGINEERING, LLC

Highland, Illinois

www.flinnengineering.com

Flinn Engineering, LLC is a 100% woman-owned civil engineering firm specializing in planning, design and construction management/inspection of water-related infrastructure including treatment, pumping, storage and distribution mains.

Flinn Engineering secured their certification in July 2015. Owner Kelly Simpson is working on cost-effective designs with Illinois American Water and other firms and industries.



“I started my business with some level of confidence that the services we could provide would be a good fit for Illinois American Water,” shared Kelly Simpson, owner of Flinn Engineering. “The Flinn Engineering team has been offered some wonderful opportunities to propose on a variety of projects. We look forward to seizing many more opportunities.”

Kelly found out about the Illinois Utilities Business Diversity Council when she attended an American Water Leading Supplier Academy Workshop. “I learned about the opportunities that certification offers, including access to events which could lead to networking and creating mutually beneficial business relationships,” said Kelly.

X. Diversity Success Stories and Accomplishments

AMERICAN SUNCRAFT CONSTRUCTION, INC.

Medway, Ohio

(937) 849-9475

Headquartered in Medway, Ohio, American Suncraft Construction, Inc. is a certified veteran-owned small business specializing in rehabilitation and painting of water storage tanks. The company was established in 1976 and employs a staff of about 40 to 48.

In 2015, Illinois American Water facilitated a diversity certification program for American Suncraft Construction. For over a decade, the company has partnered with Illinois American Water and connected with American Water in Indiana, Kentucky, Maryland, Pennsylvania, Virginia and West Virginia.



Today, four Boling family members play vital roles in the daily operation of the company. In addition to Ron Boling and Robert Boling, Lisa Fries serves as safety officer and Eric Boling serves as maintenance supervisor.

“I have been in the construction business most of my life, with the exception of being in the military from December 1968 – 1971,” said Ron Boling, president of American Suncraft Construction, Inc. “Investing in the water tank rehabilitation and painting business has grown our reputation and success into being one of the best water tower contractors in the field through integrity and hard work.”

“The support given to us by Illinois American Water makes this a real partnership. It has broadened our footprint with American Water,” stated Robert Boling, vice president of American Suncraft Construction, Inc.

MILHOUSE ENGINEERING & CONSTRUCTION, INC.

Chicago, Illinois

www.milhouseinc.com



Headquartered in downtown Chicago, Milhouse Engineering & Construction, Inc. is a full-service engineering firm that serves six industries – aviation, gas, power, facilities, transportation, and water/wastewater.

James Fifer, project development director for Milhouse Engineering & Construction, Inc., recently attended the inaugural Illinois Utilities Business Diversity Council (IUBDC) meeting held in Chicago. Milhouse was an existing partner to Nicor Gas, Peoples Gas and ComEd, but had not yet done business with Illinois American Water.

X. Diversity Success Stories and Accomplishments

Nicor Gas, as part of the IUBDC, recommended Milhouse to Illinois American Water. Milhouse also provides a variety of engineering services to Ameren Illinois, Nicor Gas and Peoples Gas.

“The IUBDC brings all of the utilities together in one place. It’s an efficient way for small businesses to expand their networks,” said Fifer, who noted the IUBDC event led to many productive conversations and subsequent contracts.

“We discovered a tremendous opportunity with Illinois American Water at the event,” Fifer said. “We later contacted Jerry Garland of Illinois American Water who guided us through the process to become a registered vendor. Today, Milhouse is the prime consultant for the design phase of a water main replacement project in Homer Glen, Illinois. The project is on schedule to be completed this spring.”

URBAN GIS, INC.

Chicago, Illinois

www.urbangis.com

Urban GIS, Inc. is a certified minority-owned, disadvantaged, and small business enterprise providing GIS consulting, staff augmentation and field data collection services. Keith Searles, owner and CEO, founded the Chicago-based company in 2007 to bridge the information gap amongst planners, engineers and other professionals responsible for infrastructure management and improvements.

The company was introduced to Illinois American Water at the inaugural Illinois Utilities Business Diversity Council (IUBDC) meeting held in Chicago.

Urban GIS is developing a highly comprehensive and well-attributed GIS database of wastewater facilities for Illinois American Water. Urban GIS has received new opportunities to further its footprint with American Water and the Military Services Group.

“We have continued to expand our business portfolio through building capacity in our Field Services Division. Illinois American Water partnered with us to develop new price models for field data collection and has helped us to gain more exposure and recognition with other utilities,” Searles stated.

“The collaboration is great. Our firm is involved with the American Association of Blacks in Energy and has established a relationship with utilities outside of our home state of Illinois, such as Indiana and Missouri American Water, Ameren Missouri, and Georgia Power,” he continued.



X. Diversity Success Stories and Accomplishments

2015 Accomplishments

During 2015, Illinois American Water attended and hosted several events to enhance our presence in the communities we serve and to learn more about the diverse business community both locally and nationally.

- ◆ American Water Leading Supplier Academy Workshop with River City Construction, August 2015
- ◆ Illinois Black Chamber of Commerce Annual Conference, August 2015
- ◆ TSi Engineering (now TSi Geotechnical) and MBE Lunch and Learn with Illinois American Water Engineering, August 2015
- ◆ Women's Energy Network - Chicago Chapter, August 2015
- ◆ National Supplier Diversity Development Council Annual Convention, October 2015
- ◆ National Supplier Diversity Development Council Mid States CPO Meeting, November 2015
- ◆ Black Business Alliance, November 2015
- ◆ Jackie Joyner Kersee Foundation Gala, November 2015
- ◆ Illinois American Water Speed Networking Peoria Event, November 2015
- ◆ Illinois Utilities Business Diversity Council Annual Conference, November 2015
- ◆ Facilitating the certification of 11 existing suppliers to certified diverse suppliers in 2015

Illinois American Water's working closely together with the other utility members of the Illinois Utilities Business Diversity Council in sharing best practices and contractor information was a significant factor in our success in 2015.

XI. Illinois Commerce Commission Website

Pursuant to Section 5-117 of the Public Utilities Act (220 ILCS 5/5-117), Illinois-American Water Company hereby submits to the Illinois Commerce Commission its 2015 Annual Supplier Diversity Report. The Commission shall publish the report on its website and shall maintain the report for at least five years.

Section 5-117 reports are due annually on April 15th, beginning in 2015. Section 5-117 also requires the ICC and participating utilities to hold an Annual Policy Meeting that is open to the public on the subject of supplier diversity. The policy meeting will follow submission of the April 15th reports.

The 2016 Annual Policy Meeting will be held at 1:00 p.m. on June 6, 2016 at the Illinois Commerce Commission, State of Illinois Building at 160 North LaSalle Street, Chicago, IL 60601.

For more information on Illinois-American Water Company's Annual Supplier Diversity Reports, please visit the ICC Supplier Diversity webpage at www.icc.illinois.gov/filings/mwvs.

XII. Illinois American Water Company Data

Regulated Entity “Company” Information

Illinois-American Water Company
100 North Water Works Drive
Belleville, IL 62223

Contact Person: Bruce A. Hauk, President
(618) 239-3247
ilaw.president@amwater.com

MWVSBE Program Reporting - American Water Expenditure and Vendor Utilization

Diverse Spend Data Collection

- Spend data on 1st tier suppliers is recorded through American Water’s Procurement System when a payment is made to the supplier.
- The initial/proposed 2nd tier diversity spend is collected during the bidding process via the Supplier Diversity Questionnaire form (Appendix 1). The actual 2nd tier spend is recorded only when the 1st tier supplier reports their respective spend in their quarterly updates. To ease the 2nd tier reporting requirements in 2016, American Water has adopted a new form, the Supplier Diversity Quarterly 2nd Tier Supplier Report (Appendix 2). Appendix 2 is the true up between contract award diversity goals (Appendix 1) versus the actual performance. Appendix 2 becomes the auditable performance document.

American Water Company Expenditures w/All Suppliers (2015)					
				20% OF OVERALL	
SPEND CATEGORY	TOTAL			ACTUAL	GOAL
Overall	\$1,574,072,194				
	DIRECT	2ND TIER	TOTAL	ACTUAL	GOAL
MBE	\$27,670,806	\$6,030,294	\$33,701,101	2.14%	10.00%
WBE	\$127,605,211	\$9,845,551	\$137,450,761	8.73%	3.00%
VBE	\$12,184,029	\$664,197	\$12,848,226	0.82%	5.00%
SMB	\$186,141,456	\$7,516,369	\$193,657,825	12.30%	2.00%
Total M/W/VBE/SMB	\$353,601,502	\$24,056,410	\$377,657,913	23.99%	

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

XII. Illinois American Water Company Data

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.

Illinois American Water Company Expenditures w/All Suppliers (2015)					
10% OF OVERALL					
SPEND CATEGORY	TOTAL			ACTUAL	GOAL
Overall	\$110,779,641				
	DIRECT	2ND TIER	TOTAL	ACTUAL	GOAL
MBE	\$369,079	\$1,421,781	\$1,790,860	1.62%	5.00%
WBE	\$4,038,209	\$1,792,815	\$5,831,025	5.26%	2.00%
VBE	\$1,563,813	\$527,998	\$2,091,811	1.89%	2.00%
SMB	\$3,930,536	\$515,114	\$4,445,651	4.01%	1.00%
Total M/W/VBE/SMB	\$9,901,637	\$4,257,708	\$14,159,346	12.78%	

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

XII. Illinois American Water Company Data

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 American Water Company Expenditures w/All Illinois-Based Suppliers (2015)					
					10% OF OVERALL
SPEND CATEGORY	TOTAL			ACTUAL	GOAL
Overall	\$110,779,641				
	DIRECT	2ND TIER	TOTAL	ACTUAL	GOAL
MBE	\$63,172	\$80,194	\$143,366	0.13%	5.00%
WBE	\$1,229,936	\$1,741,316	\$2,971,252	2.68%	2.00%
VBE	\$24,826	\$253	\$25,079	0.02%	2.00%
SDB	\$2,902,782	\$98,977	\$3,001,759	2.71%	1.00%
Total M/W/VBE/SMB	\$4,220,715	\$1,920,741	\$6,141,456	5.54%	

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

XII. Illinois American Water Company Data

Illinois American Water Company Expenditures w/ All Certified Illinois-Based Suppliers (2015)					
					4.68% OF OVERALL
SPEND CATEGORY	TOTAL			ACTUAL	GOAL
Overall	\$110,779,641				
	DIRECT	2ND TIER	TOTAL	ACTUAL	GOAL
MBE	\$63,172	\$76,844	\$140,016	0.13%	5.00%
WBE	\$1,235,266	\$1,732,494	\$2,967,760	2.68%	2.00%
VBE	\$21,645	\$0	\$21,645	0.02%	2.00%
SMB	\$2,627,160	\$4,950	\$2,632,110	2.38%	1.00%
Total M/W/VBE/SMB	\$3,947,243	\$1,814,288	\$5,761,531	5.20%	

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

NOTE: Illinois actual % is expressed as a % of total spend with Illinois-based suppliers.

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

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%

XII. Illinois American Water Company Data

MWVSBE Program Reporting - M/W/VBE/SMB Spend by Product/Service Category (Non-auditable Data)

(DOLLAR AMOUNTS IN THOUSANDS)

Minority Business Enterprises (MBE) - All				Minority Business Enterprises (MBE) - Certified			
PRODUCT/SERVICE	MINORITY	GENDER	SPEND	PRODUCT/SERVICE	MINORITY	GENDER	SPEND
Construction	Hispanic	Male	\$31.10	Construction	Hispanic	Male	\$31.10
MRO Goods	African American	Male	\$70.80	MRO Goods	African American	Male	\$70.80
MRO Services	African American	Female	\$2.10	MRO Services	African American	Female	\$2.10
Professional	African American	Male	\$0.70	Professional	African American	Male	\$0.70
Professional	Hispanic	Female	\$61.10	Professional	Hispanic	Female	\$61.10
Professional	Hispanic	Male	\$303.60	Professional	Hispanic	Male	\$303.60
Grand Total			\$469.40	Grand Total			\$469.40

Women Business Enterprises (WBE) - All				Women Business Enterprises (WBE) - Certified			
PRODUCT/SERVICE	MINORITY	GENDER	SPEND	PRODUCT/SERVICE	MINORITY	GENDER	SPEND
Construction		Female	\$3,766.60	Construction		Female	\$3,766.60
Fleet		Female	\$8.50	Fleet		Female	\$5.60
MRO Goods		Female	\$386.70	MRO Goods		Female	\$386.70
MRO Services		Female	\$255.70	MRO Services		Female	\$250.00
Professional		Female	\$1,457.70	Professional		Female	\$1,457.70
Grand Total			\$5,875.20	Grand Total			\$5,866.60

Veteran Business Enterprises (VBE) - All				Veteran Business Enterprises (VBE) - Certified			
PRODUCT/SERVICE	MINORITY	GENDER	SPEND	PRODUCT/SERVICE	MINORITY	GENDER	SPEND
Construction		Male	\$1,532.90	Construction		Male	\$1,532.90
Fleet		Male	\$1.90	MRO Goods		Female	\$3.50
MRO Goods		Female	\$3.50	MRO Goods		Male	\$6.00
MRO Goods		Male	\$9.40	MRO Services		Male	\$4.20
MRO Services		Male	\$4.20	Professional		Male	\$56.60
Professional		Male	\$56.60	Grand Total			\$1,603.20
Grand Total			\$1,608.50				

Small Disadvantaged Businesses (SDB) - All				Small Disadvantaged Businesses (SDB) - Certified			
PRODUCT/SERVICE	MINORITY	GENDER	SPEND	PRODUCT/SERVICE	MINORITY	GENDER	SPEND
Construction		Male	\$1,469.70	Construction		Male	\$1,283.10
Fleet		Male	\$93.30	Fleet		Male	\$37.50
MRO Goods		Male	\$462.10	MRO Goods		Male	\$434.70
MRO Services		Male	\$341.50	MRO Services		Male	\$37.00
O&M Services		Male	\$7.90	O&M Services		Male	\$7.90
Professional		Male	\$2,018.70	Professional		Male	\$1,987.60
Grand Total			\$4,393.20	Grand Total			\$3,787.90

APPENDIX 1



SUPPLIER DIVERSITY QUESTIONNAIRE

Note: Required for submission with all responses to Requests for Proposals, quarterly reports and with final payment application (with actuals)

Date	_____	Signature	_____
Company Name	_____	Print Name	_____
Name of Project	_____	Telephone	_____
Contract #	_____	Email	_____
Task Order #	_____	Purchase Order	_____
Indicate submittal type (RFP, Quarterly or Final)		_____	

1. Is your business a certified diverse supplier? **Y or N** If yes, please provide copy of certification(s) with your bid response.
2. Do you have a Supplier Diversity Program for sub contractors? **Y or N**
If yes, please provide and attach a brief summary of your program including 2nd tier subcontracting reporting and tracking processes. If no, please proceed to question #3.
3. In review of the Scope of Work as presented in this RFP, do you intend to utilize diverse suppliers for sub-contracting on this project? **Y or N**
If yes, please complete the information below and submit with your bid response. **Copy of Diversity Certificate required for each Subcontractor.**

Name of Subcontractor	Scope of Work to be Performed	Amount of Spend Anticipated or Final (Circle one)	Certified Diversity Classification	Principal Male or Female

PLEASE BE SURE TO RETURN THIS FORM WITH YOUR BID RESPONSE

Rev: March 24, 2015



Women Business Enterprise National Council (WBENC) – This organization provides certification to Women Owned Business. There is an annual cost for certification. Please visit: www.wbenc.org for access to a database of diverse suppliers.

Department of General Services – This resource center certifies Disabled Veteran Owned Business Enterprises (DVBE). There is no cost for this certification. Please visit: Website: <http://www.vetbiz.gov>

National Minority Supplier Diversity Council – This organization provides certification to all minority owned companies. With regional networks across the nation, there may be a local council that can assist in provided diverse supplier information. There is an annual cost for certification. Please Visit: www.nmsdc.org for access to a database of diverse suppliers.

The Supplier Clearing House – This organization provides certification for all categories, except Disabled and Veteran owned business, at no cost. Please visit: http://thesupplierclearinghouse.com/verification_eligibility.php to start the certification process.

Additional Resources:

- City/State Chambers of Commerce
- Diverse Professional Trade Associations
- Small Business Administration (certifies Small Business, Small Women Owned Business) – <https://www.sba.gov/>
- Regional Service Disabled Veteran Owned Business SDVOB Elite Networks – www.elitesdvo.org

Illinois American Water's Supplier Diversity and Supply Chain professionals are available to assist with any related questions or concerns:

Illinois-American Diversity Reporting ILAWC Email: il.supplierdiversity@amwater.com
 c/o Jerry Garland Alternate Email: supplierdiversity@amwater.com (Corporate)
 100 N. Water Works Drive
 Belleville, IL 62223

Diversity Classifications: "Certified" means currently certified by an authorized certifying body. "Owned" means at least fifty-one percent (51%) of the business.

DBE - Disable Owned Business	HUB – Historically Underutilized Business
MBE-AF - Minority Owned Business African American	SDB – Small Disadvantage Business
MBE-AP - Minority Owned Business Asian Pacific	SMB – Small Business
MBE-H - Minority Owned Business Hispanic	SMB-8A - Small Business 8A
MBE-NA - Minority Owned Business Native American	WBE - Woman Owned Business
SDVBE - Service-disabled Veteran Owned Business	
VBE - Veteran Owned Business	

Rev: March 24, 2015

APPENDIX 2

Supplier Diversity Quarterly 2nd Tier Supplier Report



2nd Tier Supplier	RFP Target Values		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total for Year (fill in year)			AW State Information	2nd Tier Supplier Contact Information			Goods and Services Provided (15 words or less)	MWDVBE Minority, Women, Veterans, Business Entrepreneurs	Diversity Information		On Multi State Supply (Goods) contracts and spend is can't be specifically defined by state. Indicate a Percentage per State	
	InDirect Spend	Direct Spend	InDirect Spend	Direct Spend	InDirect Spend	Direct Spend	InDirect Spend	Direct Spend	Grand Total	SAP Contract Number *If under an MSA Agreement include Task Order Number with Contract Number	Name	Phone	Email			Certification attached (Clearinghouse, State, MDC, NMSDO, etc.) Please attach certificate	Principal Male or Female		Comments

Jerry Garland
Administrator, Supplier Diversity

Illinois American Water
100 North Water Works Drive, Belleville, IL 62223
(618) 239-3285 • jerry.garland@amwater.com

Dawn Gilbert
Corporate Supplier Diversity, Supply Chain

American Water Company
1025 Laurel Oak Road, Voorhees, NJ 08043
(856) 727-6251 • dawn.gilbert@amwater.com • www.amwater.com



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