

**Diverse Business Veteran Business and
Small Business Report
Pursuant to 220 ILCS 5/5-117**



ComEd

An Exelon Company

Prepared for the **Illinois Commerce Commission**

POWERING LIVES

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1.0 Introduction

Diversity is central to ComEd Culture. We are a business that serves every single person and every single community in our service territory. We must have all communities represented and empowered within our company if we are to meet the needs of and truly serve our customers. It is our deep commitment that all our customers see themselves in our work.

As part of this commitment, we view minority, women and veteran owned businesses as valued partners in our efforts to achieve our mission. Diversity-certified suppliers bring distinct skills, new perspectives and novel ideas. Their efforts bolster ComEd's ability to deliver a premier customer service experience, and truly serve our communities.

For our 2015 results, I'm delighted to report that we spent more than 29% of our investment in goods and services with diversity-certified suppliers. Our year-over-year diversity-certified supplier expenditures grew by \$238 million, or a full 57% and our supplier pool grew by 18%. Our diversity certified supplier expenditures have grown approximately 300% since 2010. Today, more than ever, ComEd is raising the bar on innovation and customer connection, which means working with creative and diverse suppliers. The need for a resilient, clean and adaptable energy supply has never been more acute. That's why our Diverse Business Empowerment team is hard at work providing opportunities to not only diverse suppliers, but also to diverse "innovators" who will create the next generation of "smart energy" solutions for our customers.

Detailed in this report are the milestones and other noteworthy 2015 initiatives, including outreach activities, awards and recognition, and internal policy changes. I want to express my appreciation to the suppliers, regulators and legislators who have supported our diversity initiatives, and to the many employees who keep the lights on — day in and day out. We hope this report will spur discussion about business diversity best practices and the role utilities can play in advancing Illinois' economic development. Thank you for taking the time to review ComEd's 2015 Diverse Business Empowerment Report.



Anne R. Pramaggiore

A handwritten signature in black ink that reads "Anne R. Pramaggiore".

CEO and President, ComEd



2.0 ComEd's Diverse Business Empowerment Contribution to Illinois' Economic Vitality

The graphic below illustrates the positive impact of ComEd's expenditures to diversity-certified supplier on the Illinois economy and the economic vitality of the communities in which we operate. This report demonstrates how the economic activity we generate benefits not only our employees, but also companies, cities and towns throughout the state. Our commitment to diversity-certified supplier inclusion has never been stronger.



3.0 Terms and Definitions

ComEd defines diverse suppliers per the guidelines of the National Minority Supplier Development Council, the Women’s Business Enterprise National Council, and the U.S. Small Business Administration.

Minority-owned business - A for-profit enterprise, regardless of size, physically located in the United States, which is 51% owned, operated and controlled by minority group members, defined from the following:

- **Asian-Indian-Owned Business Enterprise** - A U.S. citizen whose origins are from India, Pakistan or Bangladesh.
- **Asian-Pacific-Owned Business Enterprise** - A U.S. citizen whose origins are from Japan, China, Indonesia, Malaysia, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Thailand, Samoa, Guam, the U.S. Trust Territories of the Pacific or the Northern Marianas Islands.
- **African American-Owned Business Enterprise** - A U.S. citizen having origins in any of the black racial groups of Africa.
- **Hispanic-Owned Business Enterprise** - A U.S. citizen of Hispanic heritage, from any of the Spanish-speaking areas of the following regions: Mexico, Central America, South America or the Caribbean Basin only.
- **Native American-Owned Business Enterprise** - A person who is an American Indian, Eskimo, Aleut or Native Hawaiian, and regarded as such by the community of which the person claims to be a part.

Woman-Owned Business Enterprise - An independent business concern that is at least 51% owned and controlled by one or more women who are U.S. citizens or Legal Resident Aliens; whose business formation and principal place of business are in the U.S. or its territories; and whose management and daily operation is controlled by one or more of the women owners.

U.S. Small Business Administration – ComEd adheres to the term Small Business as it is defined by the Small Business Act, a small business concern is “one that is independently owned and operated and which is not dominant in its field of operation.”

- **Small Business** - Depending on the industry, “small” is defined by either the number of employees or average annual receipts of a business concern. Website reference for size standards by the North American Industry Classification (NAICS) codes can be located at www.sba.gov/services/contractingopportunities/sizestandardsttopics/index.html.

Veteran-Owned Business - a small business that is at least 51% owned, operated and controlled by one or more veterans.



Subcontractor - any party or person (who is not an employee of the Prime Contractor) who enters into any agreement or arrangement with a Prime Contractor.

Diversity-Certified Supplier - any legal entity that is: (i) organized to engage in commercial transactions; (ii) at least 51% owned and controlled by one or more individuals who are socially and economically disadvantaged; and (iii) managed by, and the daily business operations controlled by, one or more of the socially and economically disadvantaged individuals who own it.

Prime Contractor/Supplier – any party or person (who is not an employee of the utility) who enters into any agreement or arrangement with the utility for the furnishing of supplies or services for the use of real or personal property, which, in whole or in part, is necessary to the performance of any one or more contracts.

Goal – a target which, when achieved, indicates progress in a preferred direction. A goal is neither a quota nor a set-aside.

Long-term goal – a goal applicable to a period of five years.

Mid-term goal – a goal applicable to a period of three years.

Control - exercising the power to make policy decisions (determined by the certifying entities).

Operate - being actively involved in the day-to-day management and not merely acting as officers or directors.

Tier 1 – Prime contract spend with a diverse supplier.

Tier 2 – Subcontracted spend by a prime contractor with a diverse supplier.

Professional Services/ High Margin Strategy – ComEd’s Professional Services/“high margin” strategy with diverse suppliers focuses on eight categories of spending in the professional services areas. These categories are: Advertising and Marketing; Business Consulting; Engineering and Technical Consulting; Financial Services; HR Services; IT Professional Services; Legal; and Banking. The high-margin strategy was undertaken because these businesses typically have higher profit margins; therefore they have an increased capacity to contribute to community economic development (jobs and community based organization support).

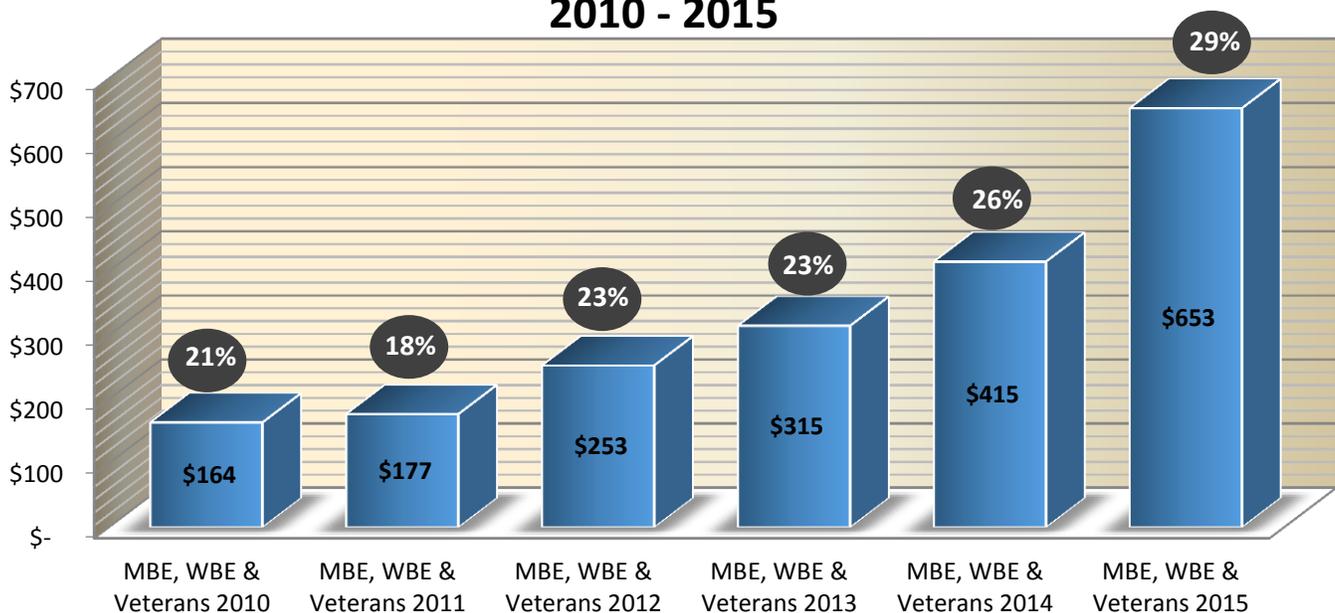
4.0 ComEd's Diversity-Certified certified Supplier Performance 2010 - 2015

Since 2010, ComEd has purchased approximately \$2 billion in goods and services from diversity-certified suppliers. This record level of financial inclusion shows that Illinois' diversity-certified suppliers are aggressively seeking opportunities to grow and fully contribute to the economic well-being of our state. It also demonstrates that ComEd and its supply team offered diversity-certified suppliers an unparalleled level of commitment.

ComEd is unwavering in its commitment to integrate supplier diversity into its procurement process. The company's diverse spend over the last six years demonstrates the progress we've made in this critical area of economic empowerment. Between 2010 and 2015 our diversity-certified spend increased \$489 million or approximately 300 percent. The table below shows that in 2015 ComEd achieved a record-breaking milestone in diversity-certified supplier inclusion. The table below also shows that in 2015 ComEd set a record for percent of total dollars expended with diversity-certified suppliers. In 2015, ComEd's spend with diversity-certified suppliers represented 29 percent of our total spend.

ComEd's 2015 annual spend with diversity-certified suppliers, percent of spend, and annual increase in spend all represent our all-time highest achievements in the area of financial inclusion. These achievements are critical to our efforts to create more opportunities for Minority, Veteran and Women-Owned Business Enterprises to compete for contracts, and we will continue to work directly with these businesses to provide resources to help

ComEd's Diversity-Certified Supplier Spend 2010 - 2015



them succeed and compete for greater contracting opportunities.

4.1 Summary of 2015 Women-Owned, Minority-Owned, Veteran-Owned, Small Business Enterprise Goals and Spending

In 2015, ComEd set out to achieve new heights in supplier diversity. During 2015, we established and regularly monitored a \$600 million diversity-certified supplier inclusion target and a 28% diverse supplier inclusion goal. Both goals were the most ambitious in the company's history and ComEd not only met but exceeded them.

In 2015, ComEd registered its largest annual increase in Tier 1 and Tier 2 expenditures in the company's history. The company increased its total year-over-year diversity-certified spend by \$238 million, or 57 percent. We spent more than \$653 million, or 29 percent of our procurement base with more than 384 diversity-certified suppliers, **an annual increase of 52 vendors or 18 percent**. Tier 1 spend increased from \$339 to \$521, or by \$182 million, 54 percent more than in 2014. ComEd's Tier 2 spend increased from \$76 million to \$132 million, or by \$56 million, 74 percent more than in 2014.

In 2015, ComEd spent more than \$2.3 billion on products and services to ensure safe, reliable and affordable electric service to its customers. This represented a total procurement base increase of \$668 million or a 42 percent increase when compared to the \$1.6 billion spent in 2014. In comparison, and as a result of the intense focus on supplier diversity, ComEd's diversity-certified supplier spend increased by 57 percent. This rate of increase in diversity-certified supplier spend was 15 percent higher than the overall total procurement increase. This level of expenditure demonstrated ComEd's commitment to grow both dollars invested in diversity-certified suppliers, and the percent of total spend inclusion. The table to the right shows ComEd's 2015 results compared to 2013, and 2014 for MBE, WBE and Veteran Owned suppliers. These results have been broken down by both Tier 1 and Tier 2 expenditures. A review of these results demonstrates ComEd's commitment to achieving remarkable growth both in terms of diversity-certified Tier 1 prime suppliers and Tier 2 subcontractors.



At ComEd, our core value of diversity runs deep and is widespread throughout the organization. In 2015, our diversity-certified supplier spend grew significantly; the increases in spend were broad-based and crossed multiple categories and certification types. For example, ComEd's Tier 1 MBE spend grew from \$157 million to \$240 million, a growth of \$183 million, or 53 percent. ComEd's Tier 1 WBE expenditures grew by \$96 million,

a 54 percent increase from \$178 million to \$274 million. Tier 1 Spend with Veteran Owned Businesses grew from \$4 million in 2014 to \$7 million in 2015, an increase of \$3 million or 75 percent.

Providing expanded access to local diversity-certified suppliers not only increases economic opportunity for these suppliers, but also strengthens the overall state economy. Our approach is focused on building a strong foundation of diverse suppliers for economic success and shared prosperity. ComEd's State of Illinois spend statistics, depicted below, illustrate our commitment as an agent of statewide economic growth, and the benefits to all Illinois residents through long-term economic development.

			MBE,WBE &VBE Combined		
	Illinois (\$MM)	Percent	Non-Illinois (\$MM)	Percent	Total (\$MM)
2014 Tier 1	\$ 301	89%	\$38	11%	\$ 339
2015 Tier 1	\$ 474	91%	\$47	9%	\$ 521
2014 Tier 2	\$ 50	59%	\$26	41%	\$ 76
2015 Tier 2	\$ 98	74%	\$34	26%	\$ 132

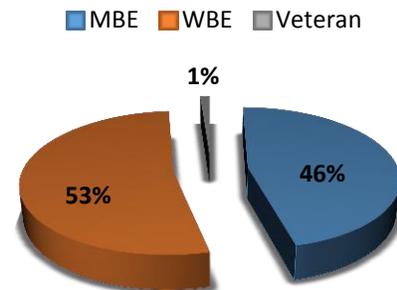
	2015	2015	2015
	Prime	Subcontractor	Total
Certification Category			
MBE	\$ 240	\$ 67	\$ 307
WBE	\$ 274	\$ 63	\$ 337
VBE	\$ 7	\$ 2	\$ 9
Total MBE/WBE/VBE	\$ 521	\$ 132	\$ 653
	Prime	Subcontractor	
SBE	\$ 152	0	\$ 152
Total	\$ 673	\$ 132	\$ 805



4.2 Managing Critical Business Relationships

The management of business relationships is a critical task on which a company's very existence depends. Consequently, deciding how to best allot limited company resources between multiple complex relationships has become a major task for supply personnel who also place priority on developing prospects and managing bid opportunities. The table below shows that in 2015, ComEd maintained an extremely balanced portfolio of diversity-certified suppliers. In 2015, ComEd's spend with Tier 1 MBE suppliers represented 46 percent of its Tier 1 spend, while ComEd's spend with Tier 1 WBE suppliers represented 53 percent.

2015 Tier 1



This statistic demonstrates that minority owned businesses represent a prominent position as strategic alliance partners for ComEd. As we increase the pipeline of diversity-certified suppliers prevailing in ComEd contract awards, we also help build capacity and familiarity with our complex energy delivery system. This critical achievement ensures diversity-certified suppliers have the tools and experience they need to succeed on future ComEd projects and on bids with other utilities.

4.3 Women-Owned, Minority-Owned, Veteran-Owned, Small Business Enterprise Goals and Spend Details

Looking back on 2015, there were four milestones of ComEd's Diverse Business Empowerment process that accounted for the dramatic increase over our 2014 supplier diversity expenditures. The four areas serving as the foundation of our 2015 diversity-certified supplier inclusion spend improvements include:

- 1.) **52% spending increase of MBE:** Minority Business Enterprises accounted for an \$82 million increase in overall diversity-certified supplier spend. ComEd's combined spend with Tier 1 MBEs rose from \$157 million in 2014 to \$239 million in 2015, an increase of \$82 million or 52 percent annual increase. Notably, this increase in MBE expenditures dramatically impacted every ethnic classification of spend.
- 2.) **53% spending increase of WBE:** Women owned business expenditures also dramatically impacted ComEd's total diversity-certified spend. Tier 1 WBEs increased from \$178 million in 2014, to \$272 million in 2015, a 53 percent annual increase.
- 3.) **Increased infrastructure investment:** A major increase in spending related to ComEd's infrastructure improvements impacted 2015 results.
- 4.) **Increased spend on Professional Services:** Professional services/high margin categories impacted 2015 diversity-certified supplier objectives.

These four milestones had broad implications for the success of our supplier diversity initiatives during 2015. The tables below provide greater detail on the suppliers, categories and nature of the spend for each of these factors.

5.0 Minority-Owned Business Enterprise Spend Details By Race

In 2016, Tier 1 African American Owned Suppliers increased from \$38.9 million in 2014 to \$71.1 million in 2015, a \$32.2 million or an 83 percent increase. Tier 1 Hispanic American Owned Suppliers increased from \$39.4 million in 2014 to \$57.4 million in 2015, an \$18 million or 45 percent increase. Tier 1 Asian American Owned Suppliers increased from \$18.1 million in 2014 to \$31.6 million in 2015, a \$13.5 million or 75 percent increase. Tier 1 Native American Owned Suppliers increased from \$62.9 million in 2014 to \$79.4 million in 2015, a \$16.5 million or 26 percent increase. The tables below provide greater detail on ComEd's MBE spend by race, supplier and category.

AFRICAN AMERICAN TIER 1 SPEND		
TOP SUPPLIERS	TOP SPEND CATEGORIES	SUMMARY
Burling Builders, Inc.	Facilities	\$71.1 million in Tier 1 spend
Nash Bros Construction Co, Inc.	Fleet	\$32 million YoY increase
Sutton Ford, Inc.	T&S Construction	82 percent YoY increase
PMI Energy Solutions, LLC.	Distribution Construction	28 Tier 1 vendors
PMI Systems, Inc.	Engineering/Technical Consulting	12 suppliers with over \$1 million in contracts

HISPANIC AMERICAN TIER 1 SPEND		
TOP SUPPLIERS	TOP SPEND CATEGORIES	SUMMARY
Primera Engineering	Engineering/Technical Consulting	\$57.6 million in Tier 1 spend
MZI Group, Inc.	Facilities	\$19 million YoY increase
Paco Communications, Inc.	Meters	50 percent YoY increase
United Building Maintenance	Advertising and Marketing	24 Tier 1 vendors
Cyrus, Inc.	Environmental Services	12 suppliers with over \$1 million in contracts

ASIAN AMERICAN TIER 1 SPEND		
TOP SUPPLIERS	TOP SPEND CATEGORIES	SUMMARY
Pennsylvania Transformer Tech, Inc.	T&S Materials	\$31.6 million in Tier 1 spend
Qualitech Engineering, LLC	Engineering/Technical Consulting	\$14 million YoY increase
Zones Corporate Solutions	IT Hardware	78 percent YoY increase



Southern State Equipment Co.	Distribution Transformers	16 Tier 1 vendors
Wildman Energy Solutions	Energy Efficiency	6 suppliers with over \$1 million in contracts

	NATIVE AMERICAN TIER 1 SPEND	
TOP SUPPLIERS	TOP SPEND CATEGORIES	SUMMARY
Choctaw-Kaul Distribution Co.	Elec. Distribution Equipment	\$79.5 million in Tier 1 spend
Institute of Health and Human Performance	MRO	\$17 million YoY increase

5.1 Women-Owned Business Enterprise Spend Details

Tier 1 WBEs increased from \$178 million in 2014, to \$272 million in 2015, a 53 percent annual increase. The table below provides greater detail on ComEd's WBE spend by supplier and category.

	WOMEN-OWNED TIER 1 SPEND	
TOP SUPPLIERS	TOP SPEND CATEGORIES	SUMMARY
Intren Inc.	Distribution Transformers	\$274 million in Tier 1 spend
MacMunnis, Inc.	Facilities	\$96 million YoY increase
Adesta Communications	T&S Materials	54 percent YoY increase
United Scrap, Inc.	GENCO Construction	68 Tier 1 vendors
Eire Direct Marketing, LLC	Energy Efficiency	16 suppliers with over \$1 million in contracts

5.2 ComEd's Energy Infrastructure Modernization Act

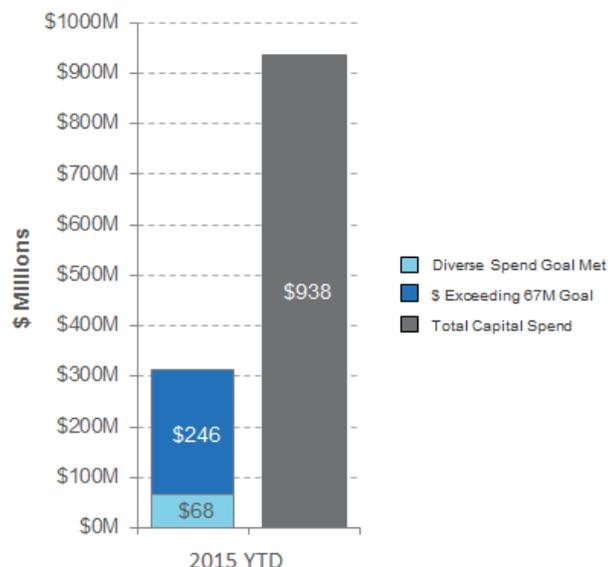
In October 2011, ComEd received approval to upgrade and modernize its electric system to build a stronger, more reliable infrastructure. As part of this \$2.6 billion investment program, ComEd launched one of the largest and most extensive capital projects in company history. A cornerstone of this initiative is our commitment to increase spending with diversity-certified suppliers by 15 percent over a 10-year period. The increase is being measured over ComEd's 2010 capital spending baseline. The intent of the self-directed diversity-certified supplier goal was to display ComEd's commitment to the economic growth of diversity-certified businesses as a function of the project.



Looking back on 2015, the impact of ComEd’s capital expenditures on supplier diversity was one of the year’s most significant highlights. ComEd set an ambitious diverse supplier inclusion goal for its annual capital expenditures to ensure economic return to our diversity-certified partners in Illinois. In 2015, ComEd surpassed its goal by increasing capital expenditures with diverse suppliers to \$314 million, an increase of \$136 million or a 76 percent increase over 2014 expenditures. This growth represents 2015’s largest dollar and percentage increase in diversity-certified supplier spend for any Exelon operating company and far outpaced the original diversity-certified supplier goal.

The extraordinary growth in ComEd’s diverse spending was in large part due to a concerted effort by ComEd, Exelon Business Services Company (BSC) sourcing and the ComEd Diverse Business Empowerment (CDBE) Office to increase the number of diverse suppliers in sourcing events. This effort to increase sourcing event participation resulted in diverse supplier participation in capital investment that greatly exceeded targets set for 2014.

Diverse Goal Met	\$	313,890,861
Favorable to Goal	\$	245,940,861
Total Capital	\$	937,530,467



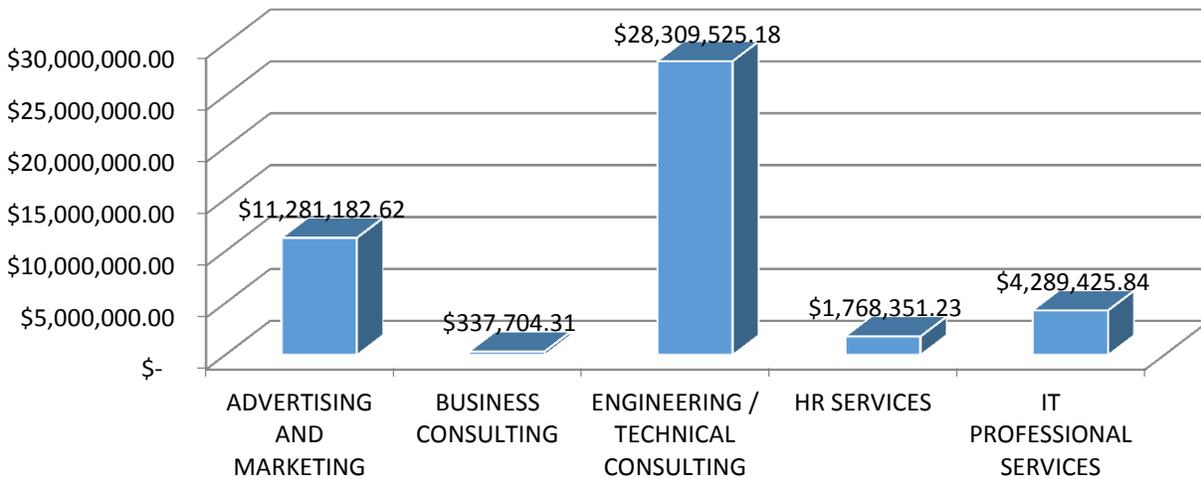
5.3 ComEd’s Professional Services / High Margin Strategy

The ComEd professional services strategy has been regarded as an industry best practice over the past seven years. In 2015, ComEd’s Tier 1 spend with high-margin diverse suppliers exceeded \$46 million, representing 9% of total Tier 1 spend. Management of the high margin categories of spend requires significant interaction with departments outside of the corporate supply chain, including, but not limited to Legal, Corporate Treasury and Communications.

In 2015, ComEd’s professional services / high margin expenditures significantly contributed to accomplishing our diversity supplier spend goals. During 2015, ComEd spent over \$1.2 million with diversity-certified law firms. ComEd and its parent company, Exelon Corporation, also extended credit lines totaling \$123 million to help support 28 minority and community-owned banks in areas where ComEd and Exelon operate. These transactions help to grow local businesses, keep valuable dollars in the local economies and are critical to many economically challenged communities. Exelon’s minority and community banking program, which began in 2003, remains unique in the energy industry. Locally, Seaway Bank and Illinois Bank & Trust Company are two of only four lead arrangers.¹ Listed below is ComEd’s 2015 spend within the remaining five categories of professional services spend.

¹ The lead arranger is the investment bank or underwriter firm that facilitates and leads a group of investors in a syndicated loan for major financing. The lead arranger assigns parts of the new issue to other underwriters for placement and usually takes the largest part itself





6.0 Policies and Methodology

ComEd’s Office of Diverse Business Empowerment (CDBE) and ComEd’s Diversity Council maintain and consistently report on diversity-certified supplier activities and accomplishments. ComEd’s methodology is designed to create viable and prosperous women, minority and veteran-owned enterprises by providing them with significant and measurable opportunities to participate in and compete fairly for contracts and subcontracts. The ComEd supply chain additionally supports diversity-certified suppliers through recruitment and technical assistance.

The CDBE Office additionally promotes the utilization of a comprehensive subcontracting plan for prime contractors as a competitive component of every bid. In this way, ComEd encourages prime contractors to assist in the increased utilization of diversity-certified suppliers. ComEd’s diversity-certified supplier activities are conducted in accordance with reasonable and competitive procurement practices and consistent with our primary public service obligation to ensure that utility services are provided to the ratepayers in the State of Illinois at just and reasonable rates. The goal of our activities is to assure a fair proportion of total contracts and subcontracts for products and services are awarded to women, minority and veteran business enterprises.

Purposes:

- a) Encourage greater economic opportunity for diversity-certified business enterprises;
- b) Promote competition among suppliers to enhance economic efficiency in the procurement of ComEd contracts; and
- c) Examine, clarify and expand ComEd’s diversity-certified suppliers programs for procurement of products and services from diverse enterprises.

A critical element of process oversight and governance of sourcing activities is to establish and reinforce policies and procedures. As a result, ComEd has a specific sourcing procedure governing supplier diversity, which is part of the Company Management Model. This procedure provides sourcing professionals with the Diverse Business Empowerment mission, vision and goals; identifies the roles of sourcing and Diverse Business Empowerment



professionals; and illustrates the key processes necessary to make the Diverse Business Empowerment program successful.

In summary, ComEd maintains ambitious diversity-certified supplier goals and a rigorous inclusion process. This methodology is long standing. Indeed, it is a part of our corporate DNA. Our diversity-certified supplier goal is both straightforward and simple. We wish to take advantage of the untapped or under-utilized resources that are available so that consumers receive the best product, greatest innovation and premier service at the lowest possible cost. The ComEd diversity-certified supplier program is rooted in the understanding that diversity provides our business with a significant competitive position in terms of enriching our communities and the businesses we seek to serve.

6.1 ComEd's Chicago Training Center

On February 19, 2016, ComEd, joined by Chicago Mayor Rahm Emanuel, held the grand opening of its new Chicago Training Center at 3536 South Iron Street in the Bridgeport neighborhood. The facility will provide significant economic and community benefits while meeting the need to train current and future workers on managing a modern electric delivery system. ComEd retained a diversity certified general contractor, Burling Builders to construct the Chicago Training Center. In addition, ninety percent of all subcontracted work on the center was performed by diversity certified suppliers. This utilization of over 47,000 hours of diverse subcontractors allowed ComEd to showcase the depth of diverse construction company options build greater diverse supplier capacity and enhance relationships with strategic business partners.

The Chicago Training Center, and its sister facility in Rockford, were made possible by the Smart Grid Law passed by the Illinois General Assembly in 2011. This historic legislation authorized investments needed for ComEd to modernize its 100 year old electric delivery system, improve power reliability, and empower customers to manage energy consumption and costs, drive economic development, and build a smart infrastructure for the future.

Only the second training center that ComEd has built from the ground up in its 130-plus-year history, the Bridgeport facility features 50,000 square feet of classroom and indoor training space, a 240,000-square-foot outside training yard and a 200-seat auditorium. The facility also includes substation and meter training areas, an indoor pole yard, lead splicing bays for underground cable and manhole training areas. Additionally, the facility will serve as an auxiliary storm center to help expand ComEd's resource coordination during significant storms.

ComEd expects more than 4,000 employees will receive training at the facility annually and over 6,000 members of the public will visit the facility each year for educational tours. The center is decorated with art from Project Onward participants, a program at the Bridgeport Arts Center that supports the professional development of artists with exceptional talents and challenges, including autism and other developmental disabilities. Another center feature is the Smart Energy Hub, a one-of-a kind interactive station designed to help elementary, middle school, and high school students and adults learn about how electricity is generated and delivered. Students also learn the technologies available to manage electricity usage and save money on electric bills, and how ComEd is helping to build a community of the future driven by smart grid technology and other initiatives designed to enhance quality of life. Nearly 70 groups, representing more than 1,800 visitors, are already signed up to visit the new Chicago Training Center.



ComEd is working with After School Matters to develop a program to expose Chicago high school students to skills needed to work in the construction trades. The program will teach students about the math skills, electrical theory and use of tools needed to begin the journey to a career in construction.

On February 17, 2016, the Hispanic American Construction Industry Association named Burling Builders General Contractor of the Year for their construction of the Chicago Training Center.

6.2 ComEd's Commitment to Chicago United's Five Forward Initiative

Exelon and its affiliated utilities support several diverse supplier advocacy organizations. In 2015, ComEd completed its seventh year of support for the Chicago United (CU) Five Forward Initiative. ComEd was one of the charter members of the Five Forward Initiative. The Five Forward Initiative enlists the commitment of CEOs from mid-sized to large-sized corporations in the Chicago metropolitan area to establish or expand business relationships with five current and/or new local minority firms.

The initiative is designed to build a stronger regional economy and the scale of minority businesses. Empirical evidence indicates that diversity-certified suppliers disproportionately tend to locate within and hire from areas with higher percentages of minority residents. The enhanced flow of money to the region improves the property tax base, increases employment and earnings, ignites business activity and creates the multiplier effects of local firms and residents spending dollars with other local firms.

By committing to the Five Forward Initiative, local leaders have established a precedent in partnering with local minority firms that are equally invested in the area. ComEd's Five Forward expenditures from 2009 through 2014 total over \$30 million.

6.3 Exclusions and Calculations

Payments made for the goods and services listed below are non-sourceable and considered "Exclusions" and therefore are not included in any of the calculations made in this report:

- Employee Expenses (salary, benefits, expense reimbursements, performance awards, petty cash, etc.)
- Parent, associated and/or subsidiary companies (charges for services rendered to the parent, i.e., accounting, engineering, tax, advertising costs, etc.)
- Government agencies (taxes, street opening fees, license fees, etc.)
- Energy Rebates
- Fines
- Utility services (gas, electric, water, and telephone)
- Purchases from foreign owned companies outside of the U.S. that do not add value to a product once shipped to the United States or manufacture a product in the U.S.
- Charities and philanthropic contributions



- U. S. Post Office expenses
- Power or commodity purchases (gas and/or electricity for resale or nuclear fuels)
- Damages
- Lease buyouts
- Rail Freight expenses
- Easements
- Garnishments
- Tuition to Colleges and Universities
- Memberships
- Inter-Entity Payments
- Revenue Accounts

7.0 ComEd's Short, Mid and Long Term Goals

The goal of ComEd's Supplier Diversity process is to ensure that diversity-certified suppliers are included in the ComEd procurement process. We seek to:

- Provide purchasing opportunities for diverse suppliers;
- Identify diversity-certified suppliers that offer high-quality, cost-competitive goods and services, and match them with the needs of the company;
- Ensure that all qualified diverse suppliers have an opportunity to conduct business with ComEd;
- Sustain supplier diversity momentum; and
- Become a recognized industry leader in diverse supplier inclusion as a natural part of our business culture.

7.1 Short-Term Goals

In 2016, ComEd will focus its supplier diversity process on the following:

(a) Plan to increase goals:

- * Increase diversity-certified supplier expenditures to more than \$700 million, and 31 percent of total procurement
 - Work within the Exelon Sourcing Process to identify and address contract opportunities;



- Identify areas from the new and emerging technologies space where potential diversity-certified suppliers can be developed;
- Develop diversity-certified suppliers, especially in historically underrepresented categories; and
- Continue to encourage and assist non-diverse prime suppliers to develop subcontracting plans to increase the utilization of diverse suppliers.

(b) Plan to increase participation:

* Enhance diversity-certified supplier development initiatives

- Conduct a 2016 Tier 2 institute to promote utilization of diversity-certified subcontractors within the ComEd prime contractor community;
- Identify opportunities to promote diversity-certified suppliers within the American Association of Blacks in Energy national conference to be held in Chicago in 2016; and
- Identify opportunities to advance diversity-certified supplier inclusion during the National Minority Supplier Development Council's 2016 convention to be held in Chicago.
- Increase participation in Illinois Hispanic Chamber of Commerce events including their 2016 inaugural Utility Procurement Event.

* Enhance communications and interactions with ComEd stakeholders

- Identify the most important ComEd stakeholders; determine their needs and define the issues that matter most to them;
- Work with ComEd Diversity & Inclusion Council and Corporate Communications to access and enhance the supplier diversity communication plan that aligns with the goals and objectives of the entire organization; and
- Determine most appropriate communication channels with stakeholders; establish and maintain productive engagement strategies.

7.2 Mid and Long-Term Goals

(a) Plan to increase goals:

- Create strategic relationships and develop diverse suppliers in underutilized categories; and
- Continue to seek additional prime and Tier 2 contracting opportunities.

(b) Plan to increase participation:

- Continue to improve the internal reporting for better tracking of diverse spend and opportunity;
- Continue to benchmark best practices among industry leading supplier diversity programs; and



- Continue to invite prime contractors to attend technical assistance and business development workshops with potential diverse subcontractors, category managers, and key decision makers.

(c) Plan to alert and encourage potential vendors:

- Continue to implement a comprehensive marketing, training, and communications plan that promotes alliances with local and national diverse supplier advocacy organizations; and
- Continue to host workshops with prime and diverse suppliers to grow ComEd's contract inclusion opportunities.

8.0 Planned 2016 Program Activities

The Supplier Diversity Office plans to conduct several innovative activities in 2016 to further encourage supplier diversity in the bidding and procuring of products and services as listed below.

8.1 Internal Activities

Executive Support: Achievements in ComEd's Diverse Business Empowerment process are not possible without the leadership of ComEd's senior executives, the guidance of the board of directors and the commitment of every ComEd employee. As with all key areas of our business, ComEd senior executives measure our performance on diversity so we can identify ways to strengthen and expand our impact. Meeting diversity goals is not a one-time event, but a continuous and proactive process of defining, measuring, managing, evaluating and rewarding. The Diverse Business Empowerment Office will continue to meet with ComEd senior leadership on a monthly basis to discuss 2016 developmental opportunities for diversity-certified suppliers.

Improved IT infrastructure: We recognize that IT is a critical enabler that supports ComEd's mission to grow businesses and create jobs. In 2016, ComEd will engage in information technology changes that directly align with goals to increase diversity-certified supplier expenditures. The changes will allow ComEd to track diversity-certified suppliers at the payment release level. Diversity inclusion can now be tracked at a level more granular than the contract level. By making these changes ComEd strives to continually build efficient IT management practices for its diversity-certified supplier decision making, rather than focusing on specific technologies, contracts, programs and initiatives.

Training: ComEd conducted formal and informal supplier diversity training throughout the company to offer counsel and assistance to employees. The Supplier Diversity team trained newly-appointed Category Managers and Project Managers on their key role as drivers of supplier diversity efforts and results achievement within their line of business. This included education on how to drive accountability, uncover potential diversity opportunities and support the competitive success of diversity-certified suppliers. Category Managers and key partners across the company were educated on how to identify specific diversity opportunities through value chain and spend data analysis. Team members conducted training sessions focused on upcoming projects and on how to work with direct suppliers to optimize diverse subcontracting. This training will be pivotal to ComEd's 2016 diversity-certified supplier inclusion efforts.



Enhanced Supplier Diversity Participation in the Sourcing Process: Entering 2016 Diverse Business Empowerment processes were integrated into the day-to-day operations of Supply. The Supply Leadership team requires sourcing professionals to collaborate with the Diverse Business Empowerment Office to identify appropriate sourcing opportunities and potential diverse suppliers for the sourcing events managed by Supply. Timely communication with the Diverse Business Empowerment Office allows for efficient research of best-in-class diverse suppliers throughout a national network, facilitating opportunities to increase diverse spend across the company.

8.2 External Activities

ComEd is dedicated to maintaining its leadership in the field of supplier diversity. Our mission is to maintain a world-class supplier diversity program that attracts and retains qualified diversity suppliers who reflect the communities we serve. As one of Illinois' largest procurers of goods and services, we appreciate the profound impact our decisions have on the evolution of Illinois diverse suppliers. The importance of diversity and inclusion to our culture and our business is reflected in our principles and every aspect of the company. Every core and performance value we have depends on our commitment to listening to different perspectives and considering every point of view in our daily interactions with each other, our suppliers and our customers.

At ComEd we recognize that an open, competitive atmosphere is beneficial to our customers, contractors, and employees and it is our policy to foster this environment. Ultimately, our position on supplier diversity demonstrates our commitment to our community and to good financial stewardship by using a wider pool of competitive suppliers for goods and services. Key process steps include:

- (a) Continuing outreach efforts and collaborating with local and national advocacy organizations to expand the utilization of diverse suppliers;
- (b) Attending Service Disabled Veteran events and build relationships to identify potential suppliers;
- (c) Expanding efforts in supplier development to help prepare diverse suppliers to compete for new business;
- (d) Promoting ComEd supplier diversity initiatives in local publications and diverse supplier directories;
- (e) Leading cross-functional teams to achieve and sustain supplier diversity goals;
- (f) Advancing and implementing diversity-certified business development strategies;
- (g) Encouraging and supporting prime suppliers to develop their own robust supplier diversity initiatives;
- (h) Responding to diversity-certified suppliers prospective inquiries;
- (i) Developing supplier diversity communications and training plans;
- (j) Managing technical assistance and supplier development;
- (k) Collaborating with diverse business community organizations; and
- (l) Executing successful supplier diversity outreach events.



8.3 Plans for Identifying and Developing Diverse Suppliers in Low Utilization Categories

To increase diverse supplier opportunities in low-use areas in 2016, ComEd plans to:

- (a) Leverage ComEd's position as a board member of the Chicago Minority Supplier Development Council to promote diversity-certified supplier inclusion best practices;
- (b) Target high-potential diverse suppliers for opportunities in low utilization categories areas such as Transmission & Substation construction and engineering design services ;
- (c) Conduct meetings with top prime suppliers to increase their subcontracting performance;
- (d) Invite Sourcing and key decision-makers to networking workshops with diverse suppliers;
- (e) Encourage emerging regional diverse suppliers to obtain certification through recognized third party organizations;
- (f) Continue to provide monthly diverse supplier data reports to executive leadership; and
- (g) Attend outreach events and build relationships with diverse suppliers.

8.4 Plans for Identifying and Developing Diverse Suppliers Where Diverse Suppliers are Limited

Throughout the years, ComEd has actively supported the development of its diversity-certified suppliers through technical workshops. These workshops focus on supporting the success of diversity-certified supplier partners within ComEd's supply chain. Participants in these workshops benefited from:

- Cross-functional supplier development team support;
- Quality request for proposal response training;
- Management development programs;
- Detailed business analysis (i.e.: Strengths, Weaknesses, Opportunities, Threats analysis); and
- Customized business development plans.

In 2012, InTren, ComEd's largest WBE, joined ComEd's developmental efforts, by establishing its own second tier subcontracting program, through which the company tracked its expenditures with diverse suppliers. InTren expanded its subcontracting program expressly to support other diversity-certified suppliers. InTren's program offered formal mentoring to its participating suppliers. Through their mentoring program they sought to give smaller diverse suppliers the opportunity to grow. In 2014, InTren's self-directed developmental program resulted



in \$14 million in expenditures with diversity-certified subcontractors. In 2015, we will continue to work with suppliers like InTren to expand opportunities to diverse businesses.

To increase diverse supplier opportunities where diverse suppliers are currently limited, ComEd plans to engage in the following activities:

*Continue to work with regional and national advocacy organizations to identify qualified Diversity-Certified Suppliers:

- Rainbow PUSH Trade Bureau (Illinois);
- The National Minority Supplier Development Council (and regional affiliates);
- The Women’s Business Enterprise National Council (and regional affiliates);
- American Association of Blacks in Energy Entrepreneurship Committee;
- National Association of Minority and Women Owned Law Firms;
- National Association of Women Business Owners;
- Human Rights Campaign;
- The Congressional Black Caucus – Washington, D.C.; and
- The Elite Service Disabled Veterans Owned Business Network.

REGIONAL ORGANIZATIONS

- Illinois Hispanic Chamber of Commerce;
- Hispanic American Construction Industry Association;
- The Chicago Women’s Business Development Center;
- Chicago United (The Five Forward Program); and
- U.S. Pan Asian American Chamber of Commerce (Midwest Region).

ComEd supplier diversity personnel and other employees actively participate in certification committees, business expos, matchmakers and many other activities in the State of Illinois. Conference and trade shows hosted and/or attended include:

- ComEd’s Grid Resiliency Supplier Summit;
- ComEd’s Small Business Institute at Prairie State College;
- Federation of Women Contractors Small Business Forum;
- Chicago Minority Supplier Development Council Business Expo;
- Illinois Hispanic Chamber of Commerce Business Expo;
- National Minority Supplier Development Annual Trade Show;
- Women Business Development Center Expo;
- Heart of Illinois Business to Business Symposium;
- Chicago MSDC Business Opportunity Fair;
- Illinois Black Chamber Expo;
- Annual Illinois Legislative Latino Caucus Foundation Conference;
- Congressional Black Caucus Annual Legislative Conference;
- Rainbow PUSH Annual Wall Street Week and Annual Convention; and
- National Association of Regulatory Utility Commissioners Annual Meeting.



8.5 Plans for Subcontracting

To increase subcontracting dollars for diverse suppliers in 2016, ComEd plans to:

- Revisit current contracts and conduct meetings with top prime suppliers with limited or no Tier 2 diverse spend to maximize diverse subcontracting opportunities;
- Participate in planning and pre-bid meetings to ensure diverse supplier participation;
- Encourage diverse subcontractors who are not currently certified to seek certification;
- Require non-diverse bidders to submit subcontracting plans in all requests for proposals (RFPs);
- Invite non-diverse prime contractors to attend networking/outreach events to help them identify potential subcontractors;
- Provide quarterly subcontracting results to supply chain (sourcing personnel, sourcing management, and supply chain leaders); and
- Monitor diverse subcontracting commitments and performance.

9.0 Areas of Procurement

ComEd seeks to improve the availability of competitive goods and services to its operations. We provide equitable opportunities for diverse suppliers through active, competitive procurement of materials, equipment and services. Listed below are some of the materials and services we purchase:

Materials: Services:

- Building and Construction Materials
- Advertising and Marketing
- Chemicals, Fuels and Gases
- Construction and Maintenance
- Distribution Transformers
- Consulting
- Electrical Distribution Equipment
- Customer Service
- Fleet and Rental Equipment
- Electric Construction and Maintenance
- Meters
- Engineering Services
- Operations/Industrial Supplies
- Maintenance Repair
- Office Furniture
- Environmental Services
- Pipe, Valves and Fittings
- Facilities Services
- Transmission and Substation Materials
- Human Resources
- Wire and Cable
- Information Technology
- Investment Services



- Legal Counsel

10.0 ComEd's Inaugural Diverse Supplier Awards Program

The ComEd Diverse Supplier Awards program recognizes diverse businesses and prime suppliers for their outstanding achievements in the advancement of opportunities for diverse and small businesses. ComEd's Awards recognize top suppliers that delivered world class performance during the previous year. The ComEd Awards honor construction, materials and professional services firms that provide products and services at the highest levels of quality and cost, but that also embrace ComEd's vision of inclusion.

Six Diverse Supplier Awards were presented on April 4, 2016:

- 1.) Overall Performance Construction Services;
- 2.) Overall Performance Materials and/or Professional Services;
- 3.) Rising Star Award;
- 4.) Diversity Advocate;
- 5.) Community Partnership Award; and
- 6.) The President's Award.

11.0 Explanation of Challenges

The utility industry's safety and capital requirements often serve as a deterrent for diversity-certified firms. Therefore, there are few MBE companies with the capacity to support utilities. According to the 2012 Population Update to the 2010 Census, Hispanics comprise 16.3 percent of the Illinois population, and African Americans represent 14.7 percent. However, Hispanic owned businesses and African American owned businesses represent only 5 percent and 9.5 percent, respectively, of all companies in Illinois. In addition to the limited number of overall diversity-certified firms, there are also a limited number of diversity-certified firms in the electric transmission business. More than 98 percent of the utility system construction firms with employees in Illinois are White-owned and 15 percent are Women-owned.

12.0 Third-Party Certifications

To participate in ComEd's Supplier Diversity Program, suppliers must be certified. While ComEd does not certify diversity-certified suppliers, the company recognizes certifications from national, state and local organizations. ComEd, however, does not accept self-certification. If registering as a minority, woman or service-disabled, veteran-owned business, an entity must provide certification documentation through a third-party certification organization or office recognized by ComEd. These are:

- National Minority Supplier Development Council (NMSDC);
- Women's Business Enterprise National Council (WBENC);
- Associations for service veterans;
- Federal, state, local government offices ; and



- Public utility commissions.

Suppliers who are already third-party certified as a minority, woman, veteran or service-disabled business can register immediately. Supplier database registration, however, does not guarantee business opportunities and does not result in an “approved” supplier status.

13.0 The Illinois Utilities Business Diversity Council

In 2014, ComEd, along with representatives from the following utility companies: Ameren Illinois; Illinois American Water Company; Peoples Gas and North Shore Gas; and Nicor Gas began the formation of an Illinois Business Diversity Council, and a business diversity working group. The Illinois Utilities Business Diversity Council (hereinafter, the “Council”) is intended to serve Illinois utilities as a forum to identify and encourage emulation of model supplier diversity programs and best practices. The Council’s success measures will include increased spend with certified diverse suppliers, facilitating an environment for growth by engaging in development activities, and achieving sustained high level performance over time.

The IUBDC was officially launched on June 11, 2015 with a press event attended by all the representative utilities and its respective CEO and/or senior executive. Well over 150 individuals attended the press event.

On Monday November 30, 2015, the newly formed Illinois Utilities Business Diversity Council (IUBDC) held its inaugural event, centered on creating strategies to increase business opportunities for diverse suppliers through closer collaboration, technical development and sharing of best practices. On November 30th, more than 100 diverse businesses, advocacy groups and business leaders participated in a business forum in Chicago, hosted by the IUBDC, to discuss ways to increase business opportunities for diverse suppliers in Illinois.

The day’s activities also included panel discussions providing information about best practices, navigating diverse supplier processes and creating awareness of opportunities for suppliers to work together. It concluded with a networking event where the diverse business participants mingled with company representatives, advocacy leaders and panel participants. In 2014, these companies spent nearly \$830 million with diverse businesses. In 2015, these companies are braced to exceed that spending threshold with ComEd spending at least \$653 million alone.

14.0 The 2014 Construct Program

ComEd, Nicor Gas, Peoples Gas have joined forces with 30 construction industry companies and six social service agencies to help increase job opportunities for minorities in local neighborhoods throughout Illinois. The Construct partners recently held a special ceremony to announce the 2016 class of 64 participants who will go through the 11-week job-training program that provides information and guidance needed to compete for entry-level jobs in construction-related fields.

Participating Social Service Agencies

- ASPIRA of Illinois
- Austin Peoples Action Center



- Chicago Urban League
- National Latino Education Institute
- Quad County Urban League
- YWCA of Metropolitan Chicago

Through this program, companies and social service agencies are helping to increase the pool of qualified, minority candidates for construction jobs in Illinois. What began with ComEd, 10 companies and three social service agencies has grown to become a robust program that is creating opportunities for under-represented populations in the construction and utility fields: to date 150 students have participated in the program and nearly 80 percent have been offered employment. There are 19 active Construct hires employed at ComEd.

- | | |
|---|--|
| <ul style="list-style-type: none"> • Nicor Gas • Peoples Gas • Aldridge Electric, Inc. • Asplundh • Burling Builders, Inc. • Cathodic Protection Management, Inc. • F.J. Paschen • S.N.Nielsen • Groundhog Utility Construction, Inc. • Henkels & McCoy, Inc. • Intren • Lindblad Construction Company of Joliet • Meade • MJ Electric • MZI Group | <ul style="list-style-type: none"> • Nash Brothers Construction Company • NPL Construction • Osmose Utilities Services • PMI Energy Solutions, LLC • Primera Engineers • Trice Construction Company • The Will Group • The BarTech Group • David Mason & Associates • d’Escoto, Inc. • HBK Engineering • Kairos Consulting • Millhouse Engineering & Construction • The Roderick Group • USIC |
|---|--|

Through this program, these companies are helping to increase the pool of qualified, minority candidates for construction jobs in Illinois and to make a different kind of connection. To date, 150 students have participated in the program and nearly 80 percent have been offered employment. There are 19 active Construct hires employed at ComEd.

15.0 Contract Compliance Audit Activity

ComEd’s Supplier Code of Conduct sets forth our expectations and minimum standards for all suppliers and subcontractors. We require suppliers to conduct audit and inspections to verify various aspects of performance ranging from safety to code compliance and, Tier 2 diversity compliance. We require prior approval of all agents, employees, and subcontractors granted access to ComEd facilities.

In addition, ComEd performs monthly key performance indicator meetings with non-minority prime contractors and a system of spot audits for contract compliance. These spot audits serve to ensure that the invoices submitted by our suppliers align with contractual arrangements. Any deviations from the contract may impact profitability



and operational effectiveness. Contract compliance audits also provide a unique opportunity to assess supplier data for insights and intelligence that can quickly add up to substantial margin enhancements. Contract compliance audits of non-financial terms and conditions typically result in process improvements, recommendations to improve contract language, documented instances of non-compliance for remediation, and confirmation that internal personnel are adhering to policies and procedures. In addition, these audits often lead to healthier and more productive supplier and vendor relationships.

Key learnings from previous audits include:

- ComEd now tracks payments to prime contractors by release rather than by project or contract. This affords greater specificity on diverse supplier inclusion.
- ComEd reminds prime contractors that they are obligated to report subcontracting dollars based on “paid”, not on “accrued”, throughout the reporting year.

16.0 ComEd Diversity-Certified Supplier Point of Contact

Section 5-117 of the Public Utilities Act 220 ILCS 5/5-117, effective on August 26, 2014, requires regulated gas, electric, and water utilities that have 100,000 customers or more to submit annual reports “on all procurement goals and actual spending for minority-owned, women-owned, veteran-owned, and small business enterprises in the previous calendar year,” and the utilities’ plan for implementing and realizing their goals for the following year. Section 5-117(f) requires that the ICC publish on its website:

1. A list of the points of contacts for the utilities;
2. The annual reports for a period of five years; and
3. A list of the certifications recognized and accepted by the utilities.

Section 5-117 reports are due annually on April 15th, beginning in 2015. Filings will be posted at <http://www.icc.illinois.gov/filings/mwvs/default.aspx>. 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 11, 2016 at the Illinois Commerce Commission, State of Illinois Building at 160 North LaSalle Street; Chicago, Illinois 60601.

For additional information on how to get involved in ComEd’s Supplier Diversity program, please contact Exelon’s Diverse Business Empowerment Office at (312) 394-2622, or email us at supplier.diversity@exeloncorp.com, or visit our website at www.exeloncorp.com, and click on the “Suppliers” link on the home page. In addition, you may contact the following individuals:

Executive Sponsor:

Fidel Marquez
ComEd
Senior Vice President,
Legislative and External Affairs
and Chief Governmental
and Community Relations
440 S. LaSalle

Point of Contact

Emmett Vaughn
Director
Diverse Business Empowerment
Exelon Corporation
Chase Tower
10 S. Dearborn
53rd Floor

Point of Contact

Martin Montes
Director
Regulatory Affairs
ComEd
440 S. LaSalle
Suite 3300
Chicago, Illinois 60604



Suite 3300
Chicago, Illinois 60604

Chicago, Illinois 60603

Point of Contact:

Terry Miller
Manager
Diverse Business Empowerment
ComEd
2 Lincoln Center
Oakbrook Terrace, Illinois 60181



17.0 Success Stories KDM Engineering: A Profile in Growth

KDM Engineering was opened in January 2012, and began with a simple mission: build a reputation based on excellent project support while maintaining a superior level of customer service with every client. They set themselves apart from the competition by offering a great attention to detail, industry leading quality assurance measures, and industry knowledge.



KDM Engineering Founder and President, Kimberly Moore, is an avid STEM speaker. She founded the company's non-profit, Calculated Genius program with a focus on mentoring, and financially supporting girls and minorities in STEM fields. Kimberly came to ComEd in 2012 with an ambitious 5 year plan to grow from an electrical distribution subcontractor to a prime contractor. Two years later in 2014, KDM Engineering was given the opportunity to showcase their ability as a subcontractor. In 2014, KDM Engineering was teamed with a newly appointed prime contractor serving ComEd as an Engineering Company of Choice. This new Engineering Company of Choice had size, engineering expertise, but only a limited knowledge of ComEd's proprietary systems. KDM Engineering, on the other hand, had both knowledge and experience with the ComEd system, but lacked size. From that relationship in 2014, KDM Engineering grew to 7 people, and worked in several departments including storm hardening, grid resiliency, and the AMI/DA radio program. Under that partnership, revenue grew from \$50,000 to \$580,000 in 2014.

In 2015, KDM Engineering enjoyed another successful year serving ComEd. KDM Engineering's Prime contracting partner decided they no longer wished to work in the ComEd territory. ComEd and KDM Engineering agreed to place KDM Engineering directly into the prime vendor position, almost 2 years ahead of schedule. The process began and in June of 2015, KDM Engineering became an official Engineering Company of Choice for the ComEd system.

KDM Engineering ended 2015 as a Tier I vendor with 16 employees, \$1.63M in revenue, a newly constructed office space, strategic relationships with other small and diverse firms also working on ComEd projects, and several more departments added to the list. The added groups include Distribution System Management, Transmission & Distribution group, Regional, and Reliability.

KDM Engineering has 4 new hires starting in 2016 and had already begun working with groups like the Illinois Hispanic Chamber of Commerce and the Chicagoland Chamber, to begin their community outreach. ComEd looks forward to helping KDM Engineering make even more of an impact in 2016.

17.0 SUCCESS STORIES:

Valdes Engineering: Uncompromising Dedication to Quality

Bob Valdes founded Valdes Engineering Company in 1992, on the governing principle of providing superior personalized services to meet the engineering needs of its clients. During the early years, not only did he oversee every project, but also personally performed the work at every technical level. Bob knew every facet of the firm inside and out. The results of his uncompromising dedication to quality led to the inevitable expansion of the company's client base and workload.



As the company grew, his ability to closely supervise every activity performed by his growing workforce diminished, and he responded by recruiting a management team of the highest caliber. Bob takes great pride in his exceptional staff that he built, and his success in assembling a work force of talented and dedicated professionals has resulted in the evolution of one of the most capable engineering firms in our industry. Nonetheless, he still spends every day at the office ensuring that all work produced by Valdes meets his extraordinarily high standards.

The company's fundamental objective has always been to establish and build enduring relationships with its clients. ComEd knows this fact all too well. Valdes understands our needs. Their work processes, attention to detail, technical expertise, high quality work product and unyielding commitment to client satisfaction have resulted in the outstanding reputation the company enjoys today, and a safety culture that mirrors ComEd's culture. Valdes' continued growth is a testament to the successful accomplishment of meeting the needs of clients like ComEd.

In the last twenty years, Valdes has gone from a firm of just one employee to a firm of over 200 employees and is ranked as one of ENR's top 500 engineering design firms nationwide. In addition, their customer base continues to diversify throughout the Power, Oil & Gas and Chemical sectors. As they move into their third decade, we can see Valdes Engineering Company continuing their pattern of growth.

Valdes is a full service engineering company with the ability to provide engineering and design for new and modified substations including preparation of single lines, schematics, wiring diagrams, modeling and physical layout. Valdes has survey and laser scanning teams to provide accurate representation of existing sites to better enable retrofit designs. Valdes also can provide civil and structural design required for new and modified sites. The company's three guiding values are SAFETY, Quality of products produced and excellent project management to deliver designs on time and within budget.

17.0 United Scrap: A Profile in Passion

Marsha Serlin is the Founder and CEO of United Scrap Metal, an Award-Winning Leader in Recycling Solutions. United Scrap Metal has over 4,000 customers from coast to coast. This includes being recognized as a top metal supplier. United Scrap Metal employs more than 300 people with facilities that cover over 125 acres in Chicago, IL, Philadelphia, PA and Richmond, VA. High integrity is a hallmark of how United Scrap Metal conducts its business as this extends to every relationship and within every transaction.



A pioneer in recycling, Marsha Serlin has helped to define the industry by identifying value in materials that others throw away, thus allowing her business and that of her customers to thrive. In 1978, Marsha Serlin founded United Scrap Metal and began building her company with \$200 and a rental truck. At that time, Marsha was a divorced single-parent solely responsible for two young children. She saw an opportunity to support her family by gathering scrap from alleys, manufacturers and facilities.

Marsha relentlessly knocked on doors soliciting businesses to acquire customers and develop relationships. United Scrap Metal has received recognition from more than 28 Global, National and local organizations including the Small Business Administration's, National Subcontractor of the Year, the Ernst & Young Entrepreneur of the Year Award, the Grant Thornton Executive Woman of the Year Award, the Illinois Recycling Association's Outstanding Recycling Business Award and Lifetime Achievement Award. United Scrap Metal is listed in the Crain's Chicago Business top privately-held companies, top five women-owned businesses and "Fast Fifty" lists. Marsha is a member of Board of Directors of the Illinois Manufacturing Association, a member of the Board of Governors of the Chamber of Commerce, The Committee of 200, The Chicago Network, the Economic Club of Chicago, the National Women's Business Council, the International Women's Forum, served as a Commissioner on the Cook County Commission on Women's Issues, and on the Planning Commission Board for the Town of Cicero.

In addition to being a successful leader and entrepreneur, Marsha is a philanthropist. She is mindful of her roots, grateful for opportunities and willing to share her success with others less fortunate. Marsha leverages her success by supporting the community and numerous charities while challenging others to get involved by making a difference for those in need.

An active partner with Ronald McDonald House Charities of Chicagoland and Northwest Indiana, Marsha recently served as a Co-Chair of the Campaign Leadership Team that was responsible for building the world's largest Ronald McDonald House. She serves on the boards of the Lyric Opera of Chicago, the United Way/Community Chest, After School Matters, and the Children at the Crossroads Foundation.

Marsha Serlin's success and story have been featured in the media including Bloomberg TV, CBS, Rock Center with Brian Williams, Chicago Tribune, Chicago Sun-Times, CNBC, CNN, Forbes, Fortune Small Business, The Oprah Winfrey Show segment entitled, Entrepreneurial Moms, Nation's Business, Pink Magazine, the New York Times, Waste News, Modern Metals, and USA Today. Marsha Serlin's energy is unbridled. Her passions in life include a commitment to give back to others.

APPENDIX

Tier 1 Spend	Sum of 2015 Tier 1
ADVERTISING AND MARKETING	\$12,446,837.17
African American	\$499,875.92
Hispanic	\$7,191,654.82
Woman	\$4,755,306.43
BOLTING/FASTENERS	\$135,120.99
Native American	\$135,120.99
Veteran	
BUSINESS CONSULTING	\$337,704.31
African American	\$17,170.00
Asian	
Hispanic	\$294,578.93
Native American	
Woman	\$25,955.38
CHEMICALS/FUELS/GASES/LUBRICANTS	\$1,003,386.75
African American	\$4,695.61
Native American	\$996,891.14
Veteran	\$1,800.00
Woman	
CLOTHING	\$3,276,323.72
Native American	\$130,452.34
Woman	\$3,145,871.38
CUSTOMER SERVICE	\$1,800,802.63
Hispanic	\$1,676,216.38
Woman	\$124,586.25
DISTRIBUTION CONSTRUCTION	\$212,932,198.87
African American	\$7,045,608.22

Asian	\$202,040.00
Hispanic	\$2,784,593.75
Native American	
Veteran	\$227,760.00
Woman	\$202,672,196.90
DISTRIBUTION TRANSFORMERS	\$2,679,895.00
Asian	\$2,679,895.00
Native American	
Veteran	
ELEC DISTRIBUTION EQUIPMENT	\$48,991,484.87
African American	\$44,799.00
Asian	\$144,000.00
Native American	\$45,978,305.43
Veteran	\$1,733.04
Woman	\$2,822,647.40
ELECTRICAL EQUIPMENT	\$2,294,233.00
Woman	\$2,294,233.00
ENERGY EFFICIENCY	\$3,034,118.37
African American	\$481,727.65
Asian	\$2,111,133.69
Hispanic	\$382,630.20
Woman	\$58,626.83
ENGINEERING / TECHNICAL CONSULTING	\$28,309,525.18
African American	\$3,590,732.80
Asian	\$5,153,330.74
Hispanic	\$15,213,160.77
Veteran	\$52,979.10
Woman	\$4,299,321.77
ENVIRONMENTAL SERVICES	\$4,746,608.14
African American	\$505,640.73
Asian	\$52,119.40
Hispanic	\$3,596,463.18
Woman	\$592,384.83



EQUIPMENT RENTAL	\$2,845,814.45
African American	\$239,119.65
Hispanic	\$1,266,236.95
Veteran	\$493,334.21
Woman	\$847,123.64
FACILITIES	\$50,688,380.46
African American	\$23,272,597.09
Asian	\$1,424,488.40
Hispanic	\$9,778,497.89
Native American	
Veteran	\$8,171.40
Woman	\$16,204,625.68
FLEET	\$15,949,924.82
African American	\$13,826,371.43
Hispanic	\$346,960.47
Native American	\$17,208.16
Veteran	
Woman	\$1,759,384.76
FREIGHT	\$781,625.23
African American	\$58,793.61
Asian	\$527,474.58
Hispanic	\$19,094.86
Native American	\$89,121.75
Veteran	\$50,034.47
Woman	\$37,105.96
GAS DISTRIBUTION EQUIPMENT	\$11,924.84
Native American	\$4,578.48
Veteran	\$7,346.36
Woman	
GENCO CONSTRUCTION	\$11,868,640.38
African American	\$3,897,487.59
Asian	\$32,861.89
Hispanic	\$2,805,090.06

Woman	\$5,133,200.84
HEAVY HAULING AND LIFTING SERVICES	\$301,059.76
African American	\$8,320.00
Hispanic	
Woman	\$292,739.76
HR SERVICES	\$1,768,351.23
Asian	\$90,872.72
Hispanic	
Native American	\$1,412,779.17
Veteran	
Woman	\$264,699.34
INSTRUMENTATION / CONTROLS	\$11,308.01
Asian	\$11,308.01
Native American	
IT HARDWARE	\$5,963,266.73
African American	
Asian	\$5,912,115.38
Hispanic	
Native American	\$30,086.21
Woman	\$21,065.14
IT OUTSOURCING	\$7,012.50
Hispanic	\$7,012.50
Veteran	
Woman	
IT PROFESSIONAL SERVICES	\$4,289,425.84
African American	\$346,315.30
Asian	\$942,996.00
Hispanic	
Veteran	\$2,901,924.99
Woman	\$98,189.55
IT SOFTWARE	\$504,769.67
Asian	\$182,434.37
Hispanic	

Veteran	\$2,000.00
Woman	\$320,335.30
IT TELECOM	\$2,588,164.12
African American	\$1,103,316.46
Asian	\$1,140,473.19
Hispanic	\$78,529.54
Native American	
Veteran	
Woman	\$265,844.93
LIBRARY SERVICES	
Woman	
MACHINING & FABRICATION SERVICES	
Asian	
Native American	
MAINTENANCE SERVICES	\$236,283.96
African American	
Woman	\$236,283.96
MATL HANDLING EQUIP SERVICES	
Native American	
Veteran	
Woman	
MECHANICAL/HVAC MATERIAL	\$27,487.78
African American	
Native American	\$27,487.78
METERS	\$12,776,963.44
African American	\$99,397.89
Hispanic	\$10,000,611.71
Native American	\$85,058.49
Veteran	\$98,614.00
Woman	\$2,493,281.35
MRO	\$23,903,173.44
African American	\$1,140,576.29
Asian	\$1,452.25



Disadvantage Male	
Native American	\$21,364,017.46
Veteran	\$1,374,099.27
Woman	\$23,028.17
OFFICE SERVICES	\$3,299,562.53
African American	\$1,248,550.38
Asian	\$10,286.73
Hispanic	
Native American	\$19,249.45
Veteran	\$22,241.09
Woman	\$1,999,234.88
OFF-SITE TESTING SERVICES	\$52,987.50
Hispanic	\$52,987.50
Veteran	
OVERHEAD CRANES	\$17,615.00
Woman	\$17,615.00
POLES	
Native American	
PROMOTIONAL / GIFTS / AWARDS	
Woman	
PUMPS	
Woman	
SCAFFOLDING	
Native American	
SCRAP METAL	\$3,407,303.52
Woman	\$3,407,303.52
SECURITY GUARDS	
African American	
SUPPLEMENTAL LABOR	\$4,913,340.29
African American	\$79,400.00
Disadvantage Male	\$2,660.80
Hispanic	\$294,361.49
Veteran	



Woman	\$4,536,918.00
SWITCHYARD	
Hispanic	
T&S CONSTRUCTION	\$24,977,174.90
African American	\$12,119,039.16
Asian	\$348,148.95
Hispanic	\$806,836.61
Native American	
Veteran	\$1,487,237.00
Woman	\$10,215,913.18
T&S MATERIALS	\$25,326,494.22
African American	\$1,156,671.45
Asian	\$10,554,844.03
Hispanic	\$206,004.87
Native American	\$8,918,882.71
Veteran	\$461,270.69
Woman	\$4,028,820.47
TRAINING	\$324,222.74
African American	\$177,840.00
Hispanic	\$63,255.24
Native American	
Veteran	
Woman	\$83,127.50
TRAVEL / LODGING	\$89,742.92
Woman	\$89,742.92
TURBINE / GENERATOR	\$143,977.50
African American	\$143,977.50
Native American	
Woman	
UNCATEGORIZED	\$1,004,103.04
African American	\$129.90
Asian	\$120,822.94
Disadvantage Male	

Hispanic	\$264,800.00
Woman	\$618,350.20
VEGETATION MANAGEMENT	\$484,338.50
Hispanic	\$484,338.50
Veteran	
Woman	
WIRE AND CABLE	\$313,854.12
Native American	\$251,158.15
Woman	\$62,695.97
Grand Total	\$520,866,532.44

T2 Category	Tier 2 Diversity Classification	Sum of Grand Total
DISTRIBUTION CONSTRUCTION	MBE	\$ 21,992,528.36
	VBE	\$ 45,056.22
	WBE	\$ 18,449,262.30
FACILITIES	MBE	\$ 15,331,489.45
	WBE	\$ 1,973,687.35
SUPPLEMENTAL LABOR	MBE	\$ 4,145,472.36
	VBE	\$ 2,103,971.52
	WBE	\$ 6,535,561.90
T&S MATERIALS	MBE	\$ 9,531,463.67
	WBE	\$ 2,850,521.53
WIRE AND CABLE	MBE	\$ 1,338,674.70
	WBE	\$ 10,973,845.33
ENERGY EFFICIENCY	MBE	\$ 4,370,747.84
	VBE	\$ 513,420.58
	WBE	\$ 4,592,279.57
ENVIRONMENTAL SERVICES	MBE	\$ 4,364,758.50
	WBE	\$ 2,001,894.97
ENVIRONMENTAL	MBE	\$ 1,935,134.81
	WBE	\$ 2,378,788.79
ENGINEERING / TECHNICAL CONSULTING	MBE	\$ 1,534,414.72
	WBE	\$ 1,688,816.50
UNDERGROUND	WBE	\$ 2,805,534.79
SUBSTATION CIVIL	MBE	\$ 53,768.50
	WBE	\$ 2,547,711.79
FREIGHT	WBE	\$ 2,489,793.89
VEGETATION MANAGEMENT	WBE	\$ 1,916,370.07
ADVERTISING	MBE	\$ 1,297,788.05
	WBE	\$ 16,808.26
IT PROFESSIONAL SERVICES	MBE	\$ -



	VBE	\$ 170,365.15
	WBE	\$ 510,210.21
OFFICE FURNITURE	MBE	\$ 578,824.88
	WBE	\$ 22,771.83
TRANSFORMERS	MBE	\$ 98,974.87
	WBE	\$ 291,548.21
T&S SERVICES	WBE	\$ 347,088.30
ELEC. DISTRIBUTION EQUIPMENT/POLE LINE HARDWARE	WBE	\$ 173,734.64
ELEC DISTRIBUTION EQUIPMENT	WBE	\$ 41,285.57
CUSTOMER SERVICE	MBE	\$ 35,311.91
UNCATEGORIZED	WBE	\$ 11,093.45
Grand Total		\$ 132,060,775.35