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2015 ANNUAL REPORT ON  
SUPPLIER DIVERSITY  
FOR  
ILLINOIS COMMERCE COMMISSION

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Ameren Illinois Corporation  
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Collinsville, IL 62234

Richard Mark, Chairman & President  
Ameren Illinois Corporation

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## **I. PRESIDENT MESSAGE**



As Ameren Illinois, we are focused on powering the quality of life throughout our 44,000 square mile Illinois service territory. Providing diverse-owned companies greater opportunities to do business with Ameren Illinois is a critical component of our business and economic development strategy. We believe diverse business participation is a catalyst to our economic success because diverse suppliers are key drivers of economic growth, job creation and the financial well-being of our communities, our states and region. In our report you will find in addition to spending, an independent economic impact study that demonstrates the magnitude of our diverse spending within the Ameren Illinois service territory.

We are committed to providing access and opportunity to qualified businesses owned by minorities, women, veterans and service disabled veterans. Our Supplier Diversity strategy has yielded results where Ameren Illinois total spend with diverse suppliers has grown from \$94 million in 2013 to almost \$160 million in 2015.

In addition, we are proud to open our doors to the business community as we host our Ameren Supplier Diversity Symposiums and Summits. These events create an ideal environment to learn about Ameren procurement opportunities and establish partnerships with both Ameren and our prime suppliers.

Our commitment to diverse supplier participation includes funding scholarships for diverse business owners to attend the Minority Business Executive Series at the Tuck School of Business on the campus of Dartmouth College in Hanover, NH. We believe these scholarships help our diverse suppliers grow and create long-term sustainable partnerships with Ameren.

As the Chairman & President of Ameren Illinois Company, I'm personally invested in increasing opportunities for diverse owned businesses and I continue to challenge my business line leadership, supplier diversity and the supply chain to be active and engaged in providing opportunities for minority-owned businesses.

Ameren Illinois has a special connection to the communities we serve. We believe creating a culture where diverse-owned businesses can flourish enhances our region and helps power the quality of life.

**Richard Mark,**

A handwritten signature in black ink that reads "Richard J. Mark". The signature is written in a cursive, flowing style.

Chairman & President, Ameren Illinois

## II. TERMS AND DESCRIPTIONS

<b>Product/Service Description</b>	
Advertising Services	promotional, news, publicity
Chemicals Lubricants & Gases	specialty gases, bulk gases, grease, demineralized water chemicals, transformer oil
Construction and Building Material	sand, gravel, rock, steel shapes, bar stock, steel fabrication, scrap, lumber, brick and tile, sewer pipe and tile, ebony, asbestos, transite, marble and Masonite, plumbing fixtures and supplies, fire clay
Control & Instrumentation	pressure gauges, flow meters, SCADA, DCS, strip chart recorders, CEMs
Customer Facing Services	call center, billing, factoring A/R, locating, Energy Efficiency Programs, Credit and Collections
ED Gas Materials	GAS SPECIFIC Pipe, valves, and fittings, risers, regulators, anodes
ED Maintenance & Construction Services Distribution	overhead distribution line and substation construction and maintenance, concrete and asphalt repair and restoration, relay testing and engineering, pole inspections and repairs, pole and tower painting, equipment rentals, traffic control services, and crane services for overhead ED distribution work less than 100kV
ED Maintenance & Construction Services	directional boring, line construction, transmission substation, pole inspection, pole painting, rock drilling, tower painting, relay testing, electrical testing, inspection and restoration, etc. for overhead ED work greater than 100kV
ED Maintenance & Construction Services Underground	hydro-excavation, underground locating, directional boring and trenching, duct banks, underground substation work, and rock drilling for underground ED work
ED Underground Materials	conduit, vaults, precast concrete structures, junction boxes, lead shields & sleeves, pedestals, manholes, frames, bends, spacers, coil able duct, cover, grates
Electrical Components & Supplies	low voltage switches, light fixtures, connectors, control cable, stationery batteries, UPS systems, panel fabrication
Engineering & Architectural Services	civil, electrical, mechanical, chemical
Environmental Services	hazardous waste, clean-up, remediation, industrial hygiene testing

Facilities Maintenance & Construction Services	fencing, buildings, painting, new construction, roofing, concrete, asphalt, pavement replacement, excavation / grading, electrical work and construction, crane services for construction, demo and/or demo clean up - EXCLUDES REMEDIATION, rental equipment
Facilities Management	janitorial, maintenance, pest control, trash service, catering / food service, meetings, snow removal, office furniture, decorating, picture framing, landscaping, HVAC, plumbing, rental equipment
Fasteners & Hardware	screws, nuts, bolts, washers, nails, abrasives, glass, buckets, cans, funnels, kettles, measures, pans, oilers, spouts, plugs, plates, studs
Filters	oil, air, gas, oil processing, automotive, gasoline, miscellaneous
Fleet Materials	trucks, earth movers, rail, tires, parts
Fleet Services	engine repair, auto body, towing, general vehicle maintenance
Fuel/PPA	coal, electric, nuclear fuel, natural gas, liquids, diesel, kerosene, derivatives and associated transportation
Gas Services	new construction, maintenance, trenching, gas well work, snubbing
Gen Maintenance & Construction Services	new construction, maintenance, industrial cleaning, scaffolding, fencing
Human Resource Services	medical services, drug testing, benefits, life insurance, medical insurance
Insurance	insurance of property, liability, D&O, fiduciary
IT - Materials	desktops, laptops, servers, LAN/WAN equipment, routers, software
IT - Services	IT consulting, programming, network design, implementation services
Materials to support Power Plant Maintenance	small industrial electrical components, fuses, cleaning supplies, welding supplies, hoisting equipment, electrical appliances
Meter Services	contract meter reading
Office Supplies	office supplies, equipment including copiers, faxes, AV equipment, packing supplies, photographic equipment, photographic supplies, printed material, printing services, labels, decals and tags
Other	Category/description not elsewhere classified
Pole Line Hardware & Accessories	anchors, arrestors, brackets, connectors, cutouts, insulators, guy wire, pedestals, transformer pads, fuse links

Poles & Towers	wood, towers, and cross arms
Professional Services	expert testimony, management consulting, tax and auditing services, training, payroll services
Real Estate	brokers fees, title insurance, easements, ROW, appraisal services
Safety	1st aid, goggles, glasses, fire extinguishers, fall protection, personal protective equipment, uniforms, electrostatic gloves, hot wire cutters, respirator, respirator cartridges, safety line hose, basket liners, lineman sleeves, hotline stick, lift pole, insulated hoods, traffic cones, barriers, ice melt
Staff Augmentation	temporary labor - clerical, technical and general
Street lighting	Steel, fiberglass and concrete poles, luminaires, photo cells, street light brackets
Substation Materials	air break switches, steel structures, power control cable, relays, remote terminal units (RTU), insulators, switchgear, breakers, circuit breakers, re-closures, capacitors
Surveying	surveying (aerial and land), gas surveying, mapping, soil boring/testing, concrete testing, other site testing services
Telecom Materials	telecom equipment, phone accessories, switches optical cables, batteries, antenna, connector plugs, coaxial, printable tape
Telecom Services	wireless, radio, local and long distance voice and data services, communication tower maintenance
Tools	saw, wire cutter, wrench, screwdriver, hammer, drill, drill bits, ladders, chainsaws, trimmers, mowers, leaf blowers, rope, rigging, lifting accessories
Transformers	distribution and power transformers, transformer services, network protectors, network protectors key components
Transportation	bus, helicopter, truckload and less than truckload freight, small package, air express, air cargo, courier
Travel	hotels, airlines, rental cars, airport charges, taxi/limo, aircraft maintenance, travel agents
Vegetation Management	power line tree trimming, substation mowing, bare ground weed control
Wire & Cable	Primary and secondary cable, bare conductor

## Key Terms and Definitions

AABE	American Association of Blacks in Energy
B&CS	Ameren Business & Corporate Services segment responsible for opportunities in (HR, Finance, Building Services, IT, Communications etc.)
CDT	Contract Development Team responsible for the implementation and execution of RFP
CMSDC	Chicago Minority Supplier Development Council
Corporation	The Investor Owned Utility whose Illinois company operations are regulated by the ICC
EEL	Edison Electric Institute
Excluded Expenditures	Payments made for goods and services that are excluded from the calculations used in reporting diverse and total expenditures
Expenditures	The actual accounts payable dollars (spend) paid for the procurement of goods and services during a given reporting period
ILBCC	Illinois Black Chamber of Commerce
Long-term goal	Performance criteria established 3-5 years beyond the current reporting period.
M/W/V/SBE Expenditures	The actual accounts payable dollars paid for the procurement of goods and services from third parties (MBE/WBE/VBE/SBE's) secured by the Corporation, either directly or through subcontracting
Minority Business Enterprise (MBE)	A business enterprise that is at least 51% owned by a minority individual or group; or if publicly owned business, at least 51% of the stock of which is owned by one or more minority groups; and whose management and daily business operations are controlled by one or more individuals.
NMSDC	National Minority Supplier Development Council
Prime Contractor	A supplier that invoices the Corporation directly for goods and services rendered
RFI, RFQ, RFP	Solicit requests for information, quotes, and proposals.
SLMBC	St. Louis Minority Business Council
Small Business Enterprise (SBE)	A business enterprise that is independently owned and operated, is organized for profit, and is not dominant in its field. Depending on the industry, size standard eligibility is based on the average number of employees for the preceding 12 months or on sales

	volume averaged over a three-year period.
Subcontract	A contract between a party to an original contract and a third to provide all or a specific part of the goods or services required in the original contract
Subcontractor	A supplier with a subcontract with the Prime Contractor who invoices the Prime Contractor for services rendered
Supplier Diversity Goals	Establish annual corporate and business segment supplier diversity goals.
Tier II Initiative	Process in which prime suppliers are expected to share in the supplier diversity goals of the Corporation by providing meaningful subcontracting opportunities to diverse suppliers in support of its contractual obligations to the Corporation
Veteran Business Enterprise (VBE)	A business enterprise that is at least 51% owned by one or more veterans, including service-disabled veterans. In the case of publicly owned business, at least 51% of the stock is owned by one or more service-disabled veterans; and whose management and daily business operations are controlled by one or more individuals.
WBDC	Women Business Development Council
WBENC	Women Business Enterprise National Council
Women Business Enterprise (WBE)	A business enterprise that is at least 51% owned by a woman or women or if publicly owned business, at least 51% of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more of such individuals.

<b>Schedule of Exclusions from Expenditures Reported</b>
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Board of Directors
Corporation (Inter-Entity Payments)
Confidential
Customer Accounts
Employee
Fuel/Coal/Interchange
Fuel works supplier
Municipality/Utility
Government
Civic

**III. SUMMARY OF WOMEN-OWNED, MINORITY-OWNED, VETERAN-OWNED,  
AND SMALL BUSINESS ENTERPRISE GOALS AND SPENDING IN CALENDAR  
YEAR 2015**

**TABLE 1-AMEREN COMPANIES  
M/W/V/SBE EXPENDITURES AND VENDOR UTILIZATION**

(In Thousands)

	Ameren Corporation w/All Suppliers				
				% of Overall	
Spend Category	Total			Actual*	Goal*
Overall	<b>\$2,255,542</b>			<b>13.5%</b>	<b>12.5%</b>
	<b>Direct</b>	<b>2nd Tier</b>	<b>Total</b>	<b>Actual</b>	<b>Goal</b>
MBE	\$ 91,801	\$ 24,004	\$ 115,805	5.1%	5%
WBE	\$ 111,814	\$ 31,127	\$142,941	6.3%	6%
VBE	\$ 23,510	\$ 22,797	\$ 46,307	2.1%	1.5%
<b>Total M/W/VBE</b>	<b>\$ 227,125</b>	<b>\$ 77,928</b>	<b>\$ 305,053</b>	<b>13.5%</b>	<b>12.5%</b>
SBE	\$ 391,516	\$ -	\$ 391,516	17.4%	
<b>Total All Categories</b>	<b>\$ 618,641</b>	<b>\$ 77,928</b>	<b>\$ 696,569</b>	<b>31%</b>	

*\*Note: Actual and Goal percentages reflected does not include small business*



Additionally, Figure 2 illustrates Ameren Illinois total percent diverse spending trends by classification over the same three-year period.

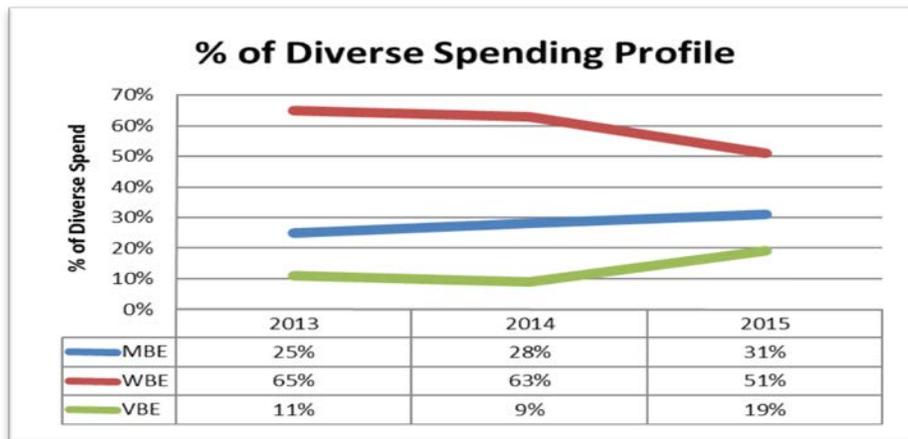


Figure 2-Ameren Illinois 3 Yr. Diverse Spend distribution by Classification

- MBE percent of diverse spend has gradually increased over the past 3 years.
- WBE percent of diverse spend has moderately decreased over the past three years.
- VBE percent of diverse spend has moderately increased over the past three years.

Further, to promote more robust meaning of Ameren Illinois diverse spending beyond percentages and diverse dollars, Ameren commissioned Development Strategies to conduct an Economic Impact study on 2015 Ameren Illinois diverse spending for increased public perspective to better understand the magnitude or “ripple effects” of diverse spending within Ameren Illinois Service Territory. **(See Appendix A for full Economic Impact report)**

The study demonstrates Diverse Supplier Economic Impact in three primary ways:

1. Output
2. Household Earnings
3. Jobs

	Non-Labor Capital Expenditures <sup>1</sup>	Non-Labor Operational Expenditures	Total Diverse Supplier Spending <sup>2</sup>
Direct Spending	\$ 92,397,000	\$ 66,909,000	\$ 159,306,000
<i>Multipliers (see explanatory notes below)</i>			
Output	1.896	1.398	1.687
Earnings	0.649	0.291	0.499
Employment	13.981	4.294	9.894
<i>Added Economic Impact on Service Territory</i>			
Output	\$ 175,203,000	\$ 93,525,000	\$ 268,728,000
Earnings	\$ 59,984,000	\$ 19,477,000	\$ 79,461,000
Indirect Jobs Held by Service Territory Residents	1,190	260	1,450
<i>Total Economic Impact on Service Area</i>			
Output			\$ 428,034,000
Earnings <sup>3</sup>			\$ 79,461,000
Total Indirect Jobs Held by Service Territory Residents <sup>3</sup>			1,450
Output - Total dollar change in the Illinois service territory's economy due to expenditures for Ameren Illinois' operations			
Earnings - Total dollar change in earnings of households in the Illinois service territory due to expenditures for Ameren Illinois'			
Employment - Total change in the number of jobs held by Illinois service territory residents per \$1 million of direct spending for Ameren Illinois' operations (adjusted to 2015 dollars)			
<sup>1</sup> Assumes that 58 percent of total diverse supplier spending is to support capital projects based on the distribution of non-labor capital and operations and maintenance spending for Ameren Corporation in 2014			
<sup>2</sup> Includes Direct and Tier Two diverse supplier spending			
<sup>3</sup> Only includes indirect earnings and jobs since this study only considers direct non-labor contractor spending by Ameren Illinois			

## AMEREN ILLINOIS M/W/VBE SPEND BY PRODUCT CATEGORY

(In Thousands)

### a) Minority Business Enterprises (MBE)

Product/Service	
IT – Materials	\$ 7,854
Staff Augmentation	\$ 6,618
Substation Materials	\$ 5,050
ED Maintenance & Construction Services Distribution	\$ 4,147
IT – Services	\$ 3,236
Facilities Management	\$ 1,832
Professional Services	\$ 1,307
Engineering & Architectural Services	\$ 965
Control & Instrumentation	\$ 807
Vegetation Management Services	\$ 764
<b>Total Top 10 MBE Spend</b>	<b>\$ 32,580</b>

*\*Note: Only the top 10 Product/Services are listed  
(See Definitions Page for Product/Service Description)*

### b) Women Business Enterprises (WBE)

Product/Service	
ED Maintenance & Construction Services Distribution	\$ 34,671
Meter Services	\$ 8,528
Professional Services	\$ 3,534
Safety	\$ 2,653
Facilities Management	\$ 2,250
Human Resource Services	\$ 1,185
Engineering & Architectural Services	\$ 1,668
Substation Materials	\$ 1,486
Staff Augmentation	\$ 1,146
IT – Materials	\$ 881
<b>Total Top 10 WBE Spend</b>	<b>\$ 58,702</b>

*\*Note: Only the top 10 Product/Services are listed*

**c) Veteran Business Enterprises (VBE)**

<b>Product/Service</b>	
Fleet Materials	\$ 5,283
Fleet Services	\$ 1,106
Transportation	\$ 887
Vegetation Management Services	\$ 781
Substation Materials	\$ 644
Tools	\$ 401
ED Underground Materials	\$ 388
Other	\$ 283
Professional Services	\$ 131
Real Estate	\$ 112
<b>Total Top 10 VBE Spend</b>	<b>\$ 10,016</b>

*\*Note: Only the top 10 Product/Services are listed*

**TABLE 3-AMEREN ILLINOIS CORPORATION  
M/W/V/SBE EXPENDITURES AND VENDOR UTILIZATION  
W/ILLINOIS BASED SUPPLIERS**

(In Thousands)

<b>Ameren Illinois Corporation w/Illinois Based Suppliers</b>					
<b>Spend Category</b>	<b>Total</b>			<b>% of Overall</b>	
				<b>Actual*</b>	<b>Goal</b>
<b>Overall</b>	<b>\$ 402,151</b>			<b>16.8%</b>	
	<b>Direct</b>	<b>2nd Tier</b>	<b>Total</b>	<b>Actual</b>	<b>Goal</b>
MBE	\$ 4,688	\$ 9,542	\$ 14,230	3.5%	-
WBE	\$ 37,848	\$ 6,859	\$ 44,707	11.1%	-
VBE	\$ 7,203	\$ 1,637	\$ 8,840	2.2%	-
<b>Total M/W/VBE</b>	<b>\$ 49,739</b>	<b>\$ 18,038</b>	<b>\$ 67,777</b>	<b>16.8%</b>	
SBE	\$ 51,663	\$ -	\$ 51,663	12.8%	-
<b>Total All Categories</b>	<b>\$ 101,402</b>	<b>\$18,038</b>	<b>\$ 119,440</b>	<b>29.6%</b>	

*\*Note: Actual Percentage reflected does not include small business*

**M/W/VBE Spend by Product/Service Category**

(In Thousands)

**d) Illinois Based Minority Business Enterprises (MBE)**

Product/Service	
ED Maintenance & Construction Services Distribution	\$ 2,719
Facilities Management	\$ 1,190
Environmental Services	\$ 424
Other	\$ 36
Meters	\$ 81
Substation Material	\$ 67
Travel	\$ 38
Professional Services	\$ 16
Gen Maintenance & Construction Services	\$ 4
Control & Instrumentation	\$ 3
<b>Total Top 10 MBE Spend</b>	<b>\$ 4,578</b>

*\*Note: Only the top 10 Product/Services are listed***e) Illinois Based Women Business Enterprises (WBE)**

Product/Service	
ED Maintenance & Construction Services Distribution	\$ 23,291
Meter Services	\$ 8,524
Facilities Management	\$ 1,794
Engineering & Architectural Services	\$ 1,217
Transportation	\$ 565
Vegetation Management Services	\$ 519
IT – Materials	\$ 474
Other	\$ 321
IT – Services	\$ 202
Surveying	\$ 171
<b>Total Top 10 WBE Spend</b>	<b>\$ 37,078</b>

*\*Note: Only the top 10 Product/Services are listed*

**f) Illinois Based Veteran Business Enterprises (VBE)**

Product/Service	
Fleet Materials	\$ 5,285
Tools	\$ 847
Vegetation Management	\$ 631
Real Estate	\$ 112
Other	\$ 89
ED Gas Material	\$ 77
Facilities Maintenance & Construction Services	\$ 63
Facilities Management	\$ 50
Transportation	\$ 18
<b>Total Top 10 VBE Spend</b>	<b>\$ 7,172</b>

*\*Note: Only the top 10 Product/Services are listed*

## **IV. POLICIES AND METHODOLOGY**

### **Purpose**

The purpose of this section is to set forth the Ameren corporate policy for supplier diversity in the procurement of non-fuel materials, services and asset leases.

### **Scope**

- A. This policy applies to all Ameren companies which include:
  - 1. Ameren Illinois
  - 2. Ameren Missouri
  - 3. Ameren Transmission
- B. Employee travel and entertainment expenses are not included in this policy
- C. This policy supersedes all previous Supplier Diversity Policies.

### **Definitions**

Third party certifying organizations recognized by Ameren

- A. Ameren does not certify diverse suppliers and relies upon third party certifying organizations.
- B. Ameren recognizes certification from the National Minority Supplier Development Council (NMSDC) and its affiliate councils, the Women's Business Enterprise National Council (WBENC) and its affiliate councils, and Federal, State and Local government certifying agencies. Contact the Supplier Diversity team for more information on certifying organizations.

**Supplier Diversity Organization** – Works within Safety & Supply Services to support contract development teams and Business Segment personnel to identify diverse suppliers for inclusion in the sourcing and procurement processes.

**Contract Development Team** – Members may include the Project Manager, Plant/Facility Manager, and representative from Sourcing, Procurement, and Corporate Legal. Corporate Legal coordinates input from Credit; Tax, Finance / Accounting; Health, Safety, and Environmental; Risk Management; and other applicable departments.

## **Responsibilities**

### **Supplier Diversity Organization**

I. Sourcing for Diverse suppliers:

A. Organize and administer diverse supplier sourcing strategies to include:

- Participating as a member of contract development teams.
- Identifying qualified diverse suppliers to include in procurement projects.
- Providing insight into market and industry availability of diverse suppliers for specific commodities and services.
- Sharing expectations and requirements with prospective diverse suppliers as they relate to procurement opportunities.
- Sharing supplier information with the Contract Development Team for the project and developing tier II subcontracting opportunities.
- Debriefing suppliers and providing feedback after contract award or non-award.

II. Build Awareness within Ameren:

- Developing and communicating Supplier Diversity goals & policy.
- Continuing engagement of Supply Services Groups and Business Segments.
- Integrating Supplier Diversity into all procurement strategies.
- Measuring, tracking and reporting progress monthly and quarterly to all levels within the organization.
- Providing support, data and analysis to other Ameren departments as required.

III. Community and Industry Awareness and Interaction

- Representing Ameren with community organizations, events and initiatives relating to supplier diversity in the Ameren service territory and nationally as required (e.g. minority/women business councils, chambers of commerce).
- Supporting requirements set forth by government (local, state, federal) and utility service commissions as required.
- Supporting supplier diversity efforts of utility related industry groups.

IV. Develop Competency and Capacity for program growth:

- Integrating Supplier Diversity into procurement strategies.
- Building a tier II initiative.
- Establishing a formal Mentoring Program for existing suppliers when deemed necessary and/or advisable.

V. Create a Sustainable Process:

- Building on successful Diverse Supplier relationships to grow long-term sustainable spend opportunities.
- Providing Supplier Diversity Training for Supply Services and Business Segments.
- Monitoring compliance of Supplier Diversity language in contracts and ensuring contracts are updated.
- Leading Supplier Diversity Symposiums and Summits.
- Administering recognition programs for outstanding Business Segments, Buyers and Corporate Partners.

## **Business Segments:**

### VI. Build Awareness within Ameren:

- Communicating business segment leadership message supporting and illustrating the importance of Supplier Diversity.
- Identifying and utilizing Business Segment Champions.
- Including Supplier Diversity in upcoming procurement projects.

### VII. Develop Competency and Capacity for program growth:

- Meeting with prospective diverse suppliers for future procurement opportunities.
- Evaluating progress relative to goals.
- Maintaining level of awareness.

### VIII. Create a Sustainable Process:

- Identifying opportunities for expanding the scope of work with successful diverse suppliers.
- Attending and participating in training classes, seminars, etc.
- Maintaining level of awareness regarding most recent Supplier Diversity requirements/language.
- Participating in and attending Supplier Diversity events.
- Participating in recognition programs.

## **Sourcing and Supply Chain Operations:**

- Communicate leadership message supporting and illustrating the importance of Supplier Diversity.
- Develop Competency and Capacity for program growth:
- Incorporating Supplier Diversity into Sourcing and general procurement process.

- Ensuring Supplier Diversity is included in events and meetings with business segment partners.
- Meeting with identified prospective diverse suppliers for future procurement opportunities.
- Maintaining level of awareness.
- Evaluating progress relative to goals.

IX. Create a Sustainable Process:

- Identifying opportunities for expanding the scope of work with successful diverse suppliers.
- Attending and participating in training.
- Ensuring contracts contain the most recent Supplier Diversity requirements/language.
- Participating in and attending Supplier Diversity events.
- Participating in recognition program.

**Policy Requirements**

- A. Supplier Diversity follows the same policy requirements outlined in the Procurement Policy.
- B. Notwithstanding anything contained in this Policy or in the Procurement Policy to the contrary, the Corporation shall at all times comply with any and all applicable federal, state, and local laws and regulations to the extent such apply in any given situation.

**Deviations**

- A. Deviations from this policy must be approved, in writing, by the Vice President, Safety & Supply Services/Chief Procurement Officer in advance of commitments to suppliers or other non-Ameren entities.

## **V. SUPPLIER DIVERSITY GOALS & STRATEGIES**

**ACCESS, DEVELOPMENT, SUSTAINABILITY** are the core principles of Ameren's Supplier Diversity & Development process.

Ameren's Supplier Diversity organization employs specific goals with comprehensive internal and external strategies to nurture and increase qualified diverse supplier participation within the supply chain we believe lead to long-term powerful partnerships.



These strategies include:

- ✓ Establishing and Supporting Corporate Supplier Diversity Goals:
  - Engage the Ameren Corporate Supplier Diversity Leadership Council (CSDL) which provides oversight for the Supplier Diversity Development process to ensure continued alignment, stakeholder engagement and accountability regarding Supplier Diversity initiatives. The CSDL members are senior level leaders from across the business segments who generally meet quarterly.
  - Establish Business Segment goals to support the corporate goal.
  - Formalized multi-tiered supplier program.
  - "Alpha Opportunities" initiative which provides targeted diverse suppliers an opportunity to gain experience with Ameren at spend levels generally  $\leq$  \$100K.
  - "Clustered Bidding", when applicable, provides bid opportunities primarily for diverse suppliers to compete.
  
- ✓ Creating ACCESS and DEVELOPMENT opportunities:
  - Conduct Business Segment quarterly engagement meetings.
  - Socialize diverse suppliers within each business segment to perform vendor presentations.

- Prime/Diverse Supplier matchmakers.
- Prime Supplier conferences/tier II progress reporting.
- Supplier Diversity Symposiums/Summits.
  
- ✓ Driving long term SUSTAINABILITY:
  - Dartmouth Scholarship Awards for diverse suppliers.
  - Focused growth initiative.
  - Participation in Diverse Supplier Organizations.

### **Goal Setting Methodology**

Ameren employs an integrated planning process where Sourcing/Purchasing, Supplier Diversity, and the internal business partners analyze opportunities and develop corporate and business segment goals for diverse supplier expenditures. These goals are then approved by senior management and measured, monitored, and reported throughout the year.

The process, in part, requires the Ameren Supplier Diversity team to analyze the categories of spend included in the business segments' annual budget forecast. The business segment forecast indicates total 'sourceable' spending which includes capital and O&M dollars, excluding labor. Within the segments budget forecast are project breakdowns by cost that provide insight to the Supplier Diversity team on specific opportunities in the business. The Supplier Diversity team also considers tier II opportunities in the analysis and baseline dollars with diverse suppliers that occur as result of year-over-year spending in the business. (eg; safety products, MRO)

The Supplier Diversity team analyzes these factors for spending to identify opportunity rich categories for increased diverse supplier participation before establishing a dollar and percentage goal for the business.

Once the diverse spend goals are established, they are formally communicated to the CSDL and throughout Ameren by the Supplier Diversity organization and the business partner

stakeholders. Supplier Diversity goals are included as key performance indicators (KPI) on business segment scorecards.

Ameren corporation has established a long-term aspirational goal of achieving 15% expenditures with diverse suppliers by 2020. Ameren's corporate goal for 2016 is 13.4% with each business segment partner owning a specific goal that supports the overall corporate goal. Goals are adjusted directionally on an annual basis to account for opportunities added or ending.

M/W/VBE goals are created as aspirational targets based, in part, on:

- Historical performance in the classification of spending.
- Disproportionate disparity in a classification.
- Availability of suppliers in a classification.

### **Business Partner Engagement Meetings**

Ameren's Supplier Diversity organization conducts regular business partner engagement meetings to introduce diverse suppliers and provide opportunities to conduct supplier presentations. This process provides new and incumbent diverse suppliers direct access to the business stakeholders and promotes diverse supplier/business partner relationships.

The business partner meetings also provide the Supplier Diversity Executives the forum to discuss categories for diverse supplier participation, business partner diverse spending profile, and analysis on how the business segments are achieving their Supplier Diversity goals.

### **Formalized Multi-Tier Initiative**

Ameren requires prime suppliers to share in our commitment to providing opportunities for diverse suppliers. Ameren's tier II initiative requires our prime suppliers to deliver a diverse business utilization plan when competing for Ameren work. The plan identifies the level of expenditures with diverse suppliers who are participating as subcontractors/consultants on Ameren contracts. Prime Suppliers are required to report tier II diverse spend monthly.

Ameren's tier II initiative also facilitates custom engagements with our key prime suppliers/contractors to actively manage and strengthen our prime/diverse supplier relationships. The Ameren Supplier Diversity Executives lead individualized conferences with our key prime supplier/contractors uniquely designed to:

- Report out tier II past performance.
- Discuss opportunities for increased participation.
- Reset tier II expectations.
- Promote the goods and services of diverse suppliers who are capable of doing business with the prime.



Prime and Diverse Suppliers discuss business during 2015 Symposium

To facilitate overall participation in Ameren's tier II initiative across the Ameren system, Supplier Diversity hosts matchmaker events with Ameren prime suppliers and diverse companies to encourage prime/diverse partnerships.

### **Supplier Diversity Symposiums and Summits**

Ameren hosts Supplier Diversity Symposiums and Summits to increase the level of diverse supplier participation. These events bring diverse suppliers to a venue that provides access to senior leadership, business partners, prime suppliers, and Sourcing/Purchasing. In addition, workshops are available to educate suppliers on upcoming opportunities.



Ameren Supplier's Stephanie Hickman (2<sup>nd</sup> from left), President Trice Construction and Loretta Rosenmayer (Middle), CEO Intren with Byron Witherspoon (far left), Director of Supplier Diversity, Mark Brandt (2<sup>nd</sup> from right), Senior Director Safety Supply Services and Dennis Weisenborn, VP Safety, Supply Services & CPO (far right)

### **Dartmouth Tuck Scholarship Awards**

Annually, Supplier Diversity awards scholarships to the Tuck Minority Executive Business Education series at Dartmouth College in Hanover, New Hampshire. These scholarships are awarded to incumbent diverse suppliers to promote their growth, development, and sustainability in our network.

Ameren has awarded 17 scholarships to incumbent diverse suppliers since 2009. In 2015, Ameren awarded two scholarships to Illinois based businesses Environmental Design International (MBE) and 2IM (MBE).

### **Their feedback included:**



Dr. Fred McKinney (Far Left) & Dr. Len Greenhalgh (Far Right) with Deborah Sawyer and Luis Montgomery at Dartmouth graduation

*“It’s clear to us as a minority, woman-owned Ameren vendor that supplier diversity is truly a core business initiative. I attended the Tuck School of Business at Dartmouth’s Growing the Minority Business to Scale program and participated in an amazing week-long program involving training around finance, marketing, advertising, balance sheets and other business strategies. I came home with invaluable knowledge and have begun to share it with my leadership team, as part of an overall strategic planning initiative underway here at EDI.”*

***Deborah Sawyer, Founder and CEO  
Environmental Design International***



Warner Baxter, Chairman & President and CEO Ameren Corp (Left) & Richard Mark, Chairman & President Ameren III (Right) with Luis Montgomery (Middle)

*"I attended the Growing your Minority Business program last week. The professors, guest speakers and course material were very impressive and are extremely useful. I am hoping to implement the strategies in my business!"*

***Luis Montgomery, PE  
President, 2IM Group***

### **Participation in Diverse Supplier Organizations**

Ameren actively participates in a number of external organizations that support and promote capabilities of diverse suppliers. Supplier Diversity personnel and other co-workers actively participate in certification committees, business expos, and other activities to alert and advise both diverse and non-diverse suppliers of Ameren's diverse supplier opportunities and expectations.

Ameren also subscribes to a "Supplier Locator" national database that assists the supplier diversity executives in identifying certified diverse suppliers by categories selected.

## **VI. CATEGORIES OF PROCUREMENT FOR 2016**

Key categories for procurement in 2016 include:

- ✓ Energy Delivery Maintenance & Construction Services Distribution
- ✓ Gas construction and services
- ✓ Engineering Services
- ✓ Transmission Line Construction & related activity
- ✓ Vegetation Management
- ✓ Facilities Building Construction
- ✓ Information Technology
- ✓ Tier II contract opportunities

## **FINANCE AND LEGAL**

In 2015, Ameren worked with 8 boutique diverse investment banking companies who co-managed \$1.2B in bond offerings and 1 diverse law firm.

Here are the classifications of these firms:

- 6 minority-owned investment banking firms
- 1 women-owned investment banking firm
- 1 service-disabled investment banking firm
- 1 minority-owned law firm

While Ameren will continue to partner with and provide opportunities for diverse investment banking and law firms, these categories are not generally procured through Ameren's sourcing process and not captured in our diverse spending profile. Ameren's Finance/Treasury/Legal departments have direct responsibility for the investment banking and legal process.

Supply Diversity collaborates with Finance/Treasury/Legal to increase opportunities in these areas by raising awareness and exposure for firms in these categories through participation in outreach events and workshops. Our successes in these areas qualitatively enhance Ameren's Supplier Diversity & Development process.

## **PROFESSIONAL SERVICES**

Professional Services is one of many defined Ameren categories of spend. This category includes management consulting services not elsewhere classified in the Ameren list of categories. Professional Services in this category include managed 3<sup>rd</sup> party logistic services, commercial collection agencies and strategic consulting services.

## **VII. CHALLENGES FINDING QUALITY VENDORS**

A three year analysis of approximately sixty spend categories within Ameren Illinois Utility indicate that almost 80 percent of all dollars spent rests in the top 15 “high impact” Ameren Illinois categories. Less than 10% spending is with diverse suppliers. The market complexity generally involved in the top 15 categories creates competitive forces that diminish the likelihood of new entrants in these areas.

These competitive forces include:

1. Highly mature markets
2. Low growth
3. Low industry margins
4. Technical expertise
5. Safety

<b>Ameren Illinois Corp Top 15 Category - 2015, 2014, 2013</b>	<b>Total Spend</b>
ED MAINTENANCE & CONSTRUCTION SERVICES DISTRIBUTION	\$ 740,648,610
CUSTOMER FACING SERVICES	\$ 212,214,778
VEGETATION MANAGEMENT SERVICES	\$ 189,593,485
POLES & TOWERS	\$ 121,128,085
TRANSFORMERS	\$ 119,596,752
SUBSTATION MATERIALS	\$ 115,189,848
GAS SERVICES	\$ 94,858,013
ENGINEERING & ARCHITECTURAL SERVICES	\$ 94,825,525
METER SERVICES	\$ 80,208,557
WIRE & CABLE	\$ 79,705,631
POLE LINE HARDWARE & ACCESSORIES	\$ 75,022,398
IT - SERVICES	\$ 72,491,351
ENVIRONMENTAL SERVICES	\$ 71,069,377
REAL ESTATE	\$ 70,927,561
FLEET MATERIALS	\$ 67,400,879
<b>Grand Total</b>	<b>\$ 2,204,880,851</b>

Approximately 80% of AIC spend are in Top 15 categories

The effects of these market forces discourage new entrants in the “high impact” categories irrespective of diversity status. Moreover, the availability of diverse suppliers who currently exist in these categories and can significantly impact increased spending is limited to few local/regional diverse companies. If any of these diverse companies are involved in a merger and/or acquisition with non-diverse ownership, exits the industry or succumbs to other market threats, then that diverse spending is subsequently retired from the utility diverse spend numbers.

Conversely, in the other 45 Ameren Illinois categories diverse supplier spend accounts for nearly 20% of all spending not included in the top 15 categories and there are more abundant diverse suppliers in these remaining categories. In essence, a larger percentage of diverse spend and more diverse suppliers participate in categories with fewer total available dollars.

This is a dilemma that creates stress for the utility to both satisfy pressures for accelerating diverse spend increases and expanding opportunities for more diverse supplier participation

within the utility business. Consequently, there is a conundrum created that conflicts the utility on the most thoughtful path forward that best reconciles this challenge.

Key questions that should be addressed include:

1. Do the utilities strategically develop the depth of key diverse suppliers over time to graduate and become sustainable in the complex “high impact” categories?
2. Do the utilities unbundle work to create opportunities for more diverse participation in secondary categories with fewer overall available dollars?

In either case, the answers to these questions require skillful techniques, intricate understanding of market forces and balance in arriving at common goals and expectations.

In addition, other industries in the region with similar program expectations create diverse participation demands in the market that strain the resources and capacity of diverse suppliers. These dynamics also challenge the utility because multiple industries compete for diverse participation from the same pool of diverse suppliers which weakens the success any one industry could enjoy.

The Illinois Commerce Commission could assist in this challenge by helping to nurture an environment of confidence with its constituents that the utilities are actively engaged with on-going strategies to procure goods and services from diverse owned businesses. Periodic newsletters and announcements to constituents that support key utility diverse business successes would establish a tone that engenders trust in the activities of the utilities to provide opportunities for diverse suppliers.

## **VIII. CERTIFICATIONS ACCEPTED**

(See Section IV, Policies & Methodology, Definitions part B)

## **IX. POINT OF CONTACT**

The point of contact for Ameren's Supplier Diversity Program is:

Byron Witherspoon, PMP  
Director, Supplier Diversity  
[bwitherspoon@ameren.com](mailto:bwitherspoon@ameren.com)

## **X. SUCCESS STORIES**

While Ameren recognizes and embrace continuous improvement in our Supplier Diversity Development process, Ameren's program strategies to create **ACCESS, DEVELOPMENT, AND SUSTAINABLE** opportunities has yielded successful partnerships with diverse suppliers.

Attached are some success stories from 2015 (See Appendix D)

## **XI. ILLINOIS COMMERCE COMMISSION WEBSITE**

Pursuant to Section 5-117 of the Public Utilities Act (220 ILCS 5/5-117 Section F), Ameren Illinois Company hereby submits to the Illinois Commerce Commission its 2015 Annual Supplier Diversity Report. Reports are due annually on April 15<sup>th</sup> beginning in 2015.

The Commission shall publish the report on its website and shall maintain the report for at least 5 years. The Public Utilities Act 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 15<sup>th</sup> reports.

For more information on Ameren Illinois' Annual Supplier Diversity Reports, please visit the ICC Supplier Diversity webpage at <http://www.icc.illinois.gov/filings/mwvs/>.

**APPENDIX A-Attachment**

**2015 AMEREN ILLINOIS ECONOMIC IMPACT STUDY ON DIVERSITY SPENDING**

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A STUDY OF AMEREN ILLINOIS  
SUPPLIER DIVERSITY PROGRAM'S ECONOMIC  
IMPACTS ON ILLINOIS AND SERVICE TERRITORY

APRIL 12, 2016

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PREPARED FOR



## Supplier Diversity Program Economic Impact Study

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## DEVELOPMENT STRATEGIES

## SUMMARY OF ECONOMIC IMPACTS

Ameren Illinois spent \$159.3 million in 2015 on Tier One and Tier Two diverse suppliers to support its operations. The following table summarizes the economic impacts of this spending on Ameren Illinois' service territory and the state of Illinois based on RIMS-II economic impact modeling methodology as established by the U.S. Department of Commerce.

	<i>Service Territory</i>		<i>State of Illinois</i>	
Direct Spending	\$	159,306,000	\$	159,306,000
Indirect Output	\$	268,728,000	\$	322,175,000
Indirect Earnings	\$	79,461,000	\$	93,907,000
Indirect Jobs		1,450		1,780
Total Economic Output	\$	428,034,000	\$	481,481,000

## INTRODUCTION

### AMEREN'S SUPPLIER DIVERSITY PROGRAM

Ameren Corporation (“Ameren”) is a Fortune 500 company headquartered in St. Louis, Missouri with approximately 2.4 million electric customers and 900,000 gas customers across its 64,000 square mile Two-State Service Territory (“service territory”) that stretches across Missouri and Illinois. Ameren is the holding company of Ameren Illinois, based in Collinsville, Illinois and Ameren Missouri, based in St. Louis, Missouri.

In order to provide energy services to its customers, Ameren purchases goods and services from a wide range of suppliers and contractors, which, in turn, have a significant impact on the local economy. As part of its procurement process, Ameren is committed to supporting diverse suppliers (i.e.; minority, women, veteran, service disabled veteran & LGBT owned businesses) through its Supplier Diversity Program. Ameren sets corporate-wide Supplier Diversity goals in which a certain proportion of contractor spending supports qualified diverse-owned businesses. In 2015, Ameren surpassed its corporate goal of 12.5 percent by achieving 13.5 percent of all contractor spending with the support of diverse suppliers.

The focus of the present study, however, is to isolate the economic impacts of diverse supplier spending by Ameren Illinois.

### SCOPE OF WORK

Development Strategies (DS) was commissioned by Ameren to quantify the economic impacts of Ameren Illinois' Supplier Diversity Program. Over the last 10 years, Ameren has commissioned DS to conduct similar studies for its individual business segments including studies on Ameren Missouri, Ameren Illinois, and Ameren Energy Resources (now a part of Dynegy Inc.). DS is currently in the process of conducting a study of Ameren Corporation's aggregate operations, and in addition to the study, was commissioned to isolate the impacts of Ameren's Supplier Diversity Program. The present study only focuses on the economic impacts of Ameren Illinois' spending on diverse suppliers and contractors.

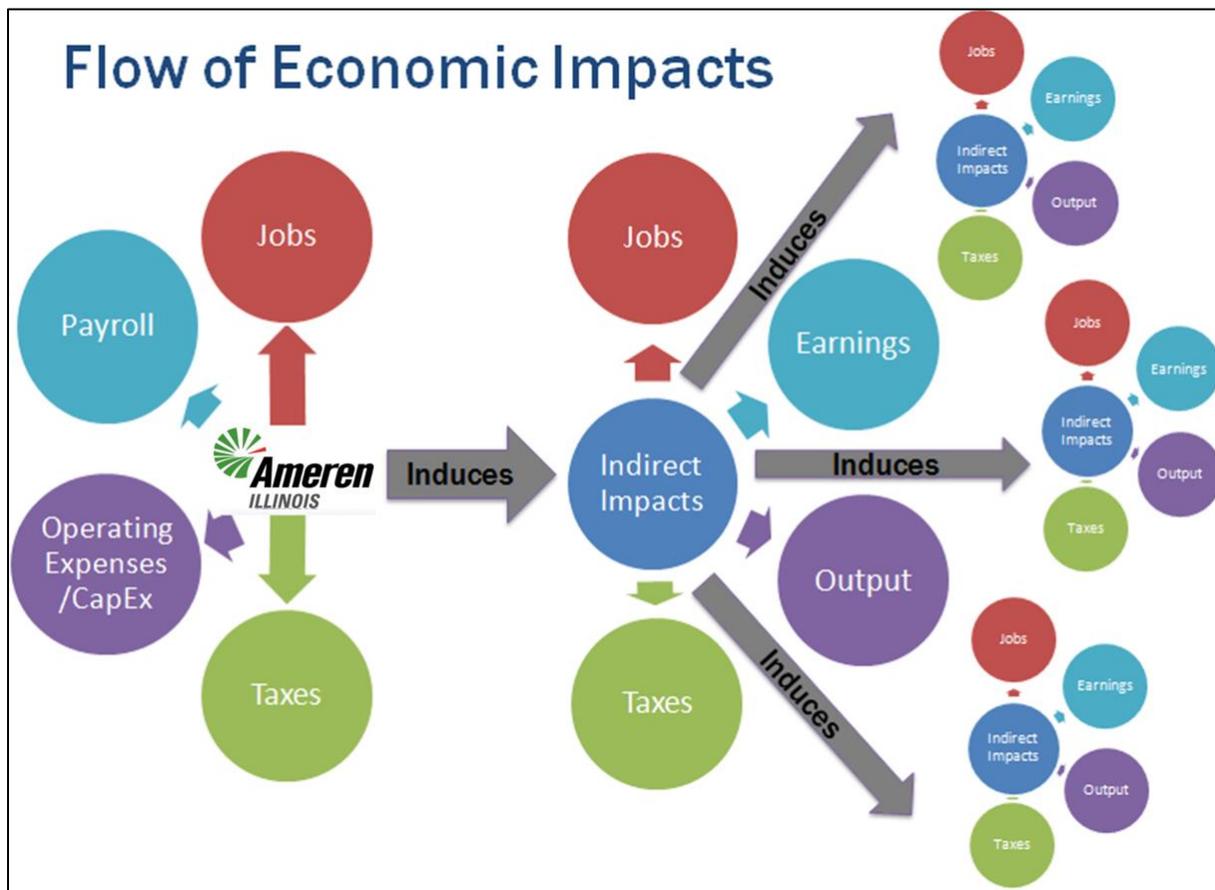
The inputs to the economic impact modeling were based on direct spending for diverse suppliers in 2015 and do not consider any operational costs associated with managing the program. Typically, studies such as this use a blended annual average across several years to account for fluctuations in operational spending that can occur due to a number of factors such as significant weather events that require substantial emergency repair or planned plant and other infrastructure upgrades to meet regulatory guidelines. However, the ultimate goal of this analysis is provide a framework for a standard replicable model that can be applied to annual Ameren operations moving forward.

Details of methodology, data sources, and critical assumptions made to complete the analysis are included where appropriate.

**ECONOMIC IMPACT OVERVIEW**

**INTRODUCTION**

Economic impacts manifest themselves in a number of ways. They are triggered through the spending of a business or a consumer (or other economic entities) on purchases of goods and services. This spending also supports other businesses that use that money a “second time” to pay for their operations which, in turn, continues a multiplier effect as that money continues to be re-spent (or “ripples”) through the economy. Moreover, employees are paid wages and salaries and their subsequent household spending in their communities triggers multiplier effects.



**Direct economic impacts** are represented here by the dollars spent by Ameren Illinois on diverse suppliers.

**Indirect economic impacts** measure the “multiplier effect” of the diverse supplier spending. The direct spending on diverse service providers and contractors ripples through the service territory supporting other businesses and jobs; employees spend a large portion of their incomes near their homes at local businesses such as retail stores, restaurants, mechanics, housing and others services. Thus, every dollar and each job related to Ameren Illinois’ spending on diverse suppliers will contribute to additional job support across multiple economic sectors.

## METHODOLOGY

In order to maintain and expand capital facilities and distribute electricity and natural gas services, Ameren Illinois makes purchases of goods and services that trigger further economic activity throughout its service area in the form of income for employees and additional expenditures by supplier businesses. Employees, in turn, spend their wages mostly near where they live, supporting further economic activity at retail shops, home repair contractors, and other service providers and establishments. This subsequent spending causes “multiplier effects” in the economy that can be estimated for defined geographic areas using *multiplier coefficients*, which are obtained from the U.S. Department of Commerce’s *Regional Input-Output Multiplier System* (RIMS or RIMS-II).

The RIMS and RIMS-II multipliers are derived from a comprehensive and complex set of inputs that are updated regularly based on the normal submission of business and employment data that make up the National Income and Products Accounts (NIPA). Such data is catalogued at the county level throughout the nation, so the RIMS-II multipliers are calculated for public use for every county. They can also be aggregated for groups of counties to create a regional analysis (such as for metropolitan areas or labor market areas or entire states). Multiplier coefficients for smaller geographies are not available.

To calculate the indirect impacts of economic activity in a targeted geographic area (in this case Ameren Illinois’ service area and the state of Illinois), multiplier coefficients are applied to the direct impact dollars. These multipliers take into account an amount of “leakage” from the state economy because some wages and expenditures will be spent outside of the state. Eventually, all of the direct spending leaks out of the state, but each passing round of spending creates added multiplier effects, though in diminishing degrees.

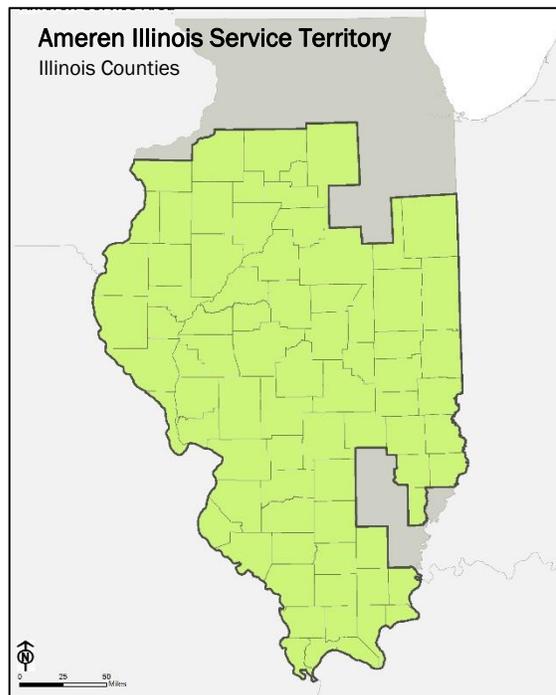
Economic impacts are demonstrated through multiplier effects in three primary ways:

1. **Output** is a measure of the impact on a specific geographic area’s economic activity generated from the spending and re-spending triggered by business and household spending. The output dollars summarize *total new or added economic activity at all points of the production process* rather than just the effects on, say, gross state product (which is a measure of value to the ultimate purchaser). Output is a more robust and larger indicator of economic activity than Gross State Product (GSP).
2. **Household Earnings** is a measure of how much of the total output is attributable to new income generated for households living in the targeted geographic area.
3. **Jobs** supported in the targeted geographic area by direct expenditures and multiplier effects of the subject (in this case Ameren Illinois’ diverse suppliers/contractors).

**GEOGRAPHIC STUDY AREA**

Ameren Illinois’ operations primarily occur within its Illinois service territory of central and southern Illinois; therefore, its spending on diverse suppliers is the most “felt” in the service territory, and thus, state of Illinois.<sup>1</sup>

Ameren Illinois’ service territory does not conform to county boundaries; however, since RIMS-II multipliers can only be obtained for individual counties or combinations of counties, for the purposes of this analysis, the service area boundaries were reconfigured to align with county boundaries.



**MULTIPLIERS**

Multipliers are determined not only for geographic areas but also for a wide array of economic sectors within those geographic areas (RIMS-II has multipliers for some 62 different sectors). It is important, therefore, to determine the most applicable economic sectors for Ameren Illinois’ diverse supplier/contractor spending. Ameren Illinois categorizes its diverse spending by 1) operations and maintenance and 2) capital expenditures. The *utility* multipliers are applied to Ameren Illinois’ diverse suppliers that support non-labor operations and maintenance, since this set of multipliers best represents the operational activities of a utility company such as Ameren Illinois.<sup>2</sup> Unfortunately, there is no “capital expenditure” sector within RIMS-II; therefore, the *construction* multipliers are applied to all capital expenditures.

The multipliers are applied to each spending category of Ameren Illinois’ diverse suppliers depending on

Sector	Output	Earnings	Employment
<i>Illinois Service Area</i>			
Utilities	1.398	0.291	4.294
Construction	1.896	0.649	13.981
<i>State of Illinois</i>			
Utilities	1.544	0.332	5.381
Construction	2.369	0.776	17.062

Source: U.S. Department of Commerce

<sup>1</sup> Though some of the contractors are based outside of the service territory, the goods and services provided support operations within the service territory and state, so all of this spending is considered *direct spending*. For measuring the indirect impacts, the multipliers themselves account for any leakage (indirect spending outside of the service territory or state).

<sup>2</sup> Ameren Illinois’ diverse suppliers represent a broad range of sectors such as professional services or retail trade, but since the goods and/or services support Ameren Illinois’ non-labor operations, the *utility* multipliers best present this type of spending. This is methodology is also consistent with DS’s concurrent study on the economic impacts of Ameren Corporation in which the *utility* multipliers are applied to all non-labor operational spending.

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*Supplier Diversity Program Economic Impact Study*

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target geography and the expenditures occurring *within* that target geography. The *output* multipliers listed represent the per dollar impact of direct spending in the service territory economy. For instance, \$1,000,000 in expenditures for contractors supporting the *utilities* industry in the service territory generates an additional \$1,399,000 of economic activity in the area's economy, including \$291,000 in wages (*earnings* multiplier).

The *employment* multiplier measures how many jobs are supported *per million dollars in expenditures*. Thus, for the *utilities* sector, \$1,000,000 in expenditures supports approximately four jobs in service territory (4.29 to be exact),  $[(\$1,000,000 \times 4.29) \div 1,000,000]$ .<sup>3</sup>

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<sup>3</sup> The most up-to-date RIMS-II multipliers from the U.S. Department of Commerce for Illinois are based on 2010 economic activity. Therefore, the model used in this report inflates the million dollars from 2010, or jobs per \$1,087,000, in 2015 dollars, using the national Consumer Price Index (CPI).

## ECONOMIC IMPACTS OF AMEREN ILLINOIS SUPPLIER DIVERSITY - 2015

### INPUTS

The inputs to the economic impact modeling are based on reported expenditures by Ameren Illinois on diverse suppliers in 2014 and 2015. Table 3 shows the spending between Tier One and Tier Two suppliers. Tier One suppliers directly provide services to Ameren Illinois. Tier Two suppliers provide services to Ameren Illinois contractors, although this spending is considered direct since the terms, obligations, and allocations to these contractors are managed through Ameren Illinois.

Tier One	\$	109,156,000
Tier Two	\$	50,150,000
Total	\$	159,306,000

Of this spending, it is assumed that 58 percent supported capital projects based on the distribution of non-labor capital, operations, and maintenance spending for Ameren Corporation in 2014.

### ECONOMIC IMPACTS

The multipliers on Table 2 are applied to the expenditure inputs summarized in Table 3, and Tables 4 and 5, below, summarize these impacts on the service territory and state of Illinois in 2015. Similar tables for 2014 are in the Appendix to this report.

#### Illinois Service Territory

The top of Table 4 on the next page shows the direct expenditures by Ameren Illinois on diverse suppliers in its service territory of \$159.3 million in 2015.

- The \$159.3 million in Ameren Illinois' direct expenditures to diverse suppliers triggered an additional \$268.7 million in value added economic activity in its service territory, of which \$79.5 million was household earnings that supported 1,450 jobs in the service area (average wage of \$55,000). The multipliers vary for different types of major expenditures shown at the top of the table. The "blended" economic activity multiplier is 1.7, indicating that the indirect economic impact of diverse supplier spending was over one and a half times Ameren Illinois' direct spending within the service territory.
- The estimated total output (economic activity) triggered by Ameren Illinois' spending on diverse suppliers (\$159.3 million) and the added multiplier effects (\$268.7 million) was \$428.0 million for its service territory.
- Of that amount, Ameren Illinois' spending on diverse suppliers triggered \$79.5 million in household earnings for workers in its service territory.
- In total, Ameren Illinois spending on diverse suppliers supported approximately 1,450 indirect jobs for service area residents.

## Supplier Diversity Program Economic Impact Study

Table 4. Economic Impacts of Ameren Illinois' Diverse Supplier Spending on its Illinois Service Territory, 2015

	<i>Non-Labor Capital Expenditures</i> <sup>1</sup>	<i>Non-Labor Operational Expenditures</i>	<i>Total Diverse Supplier Spending</i> <sup>2</sup>
Direct Spending	\$ 92,397,000	\$ 66,909,000	\$ 159,306,000
<i>Multipliers (see explanatory notes below)</i>			
Output	1.896	1.398	1.687
Earnings	0.649	0.291	0.499
Employment	13.981	4.294	9.894
<i>Added Economic Impact on Service Territory</i>			
Output	\$ 175,203,000	\$ 93,525,000	\$ 268,728,000
Earnings	\$ 59,984,000	\$ 19,477,000	\$ 79,461,000
Indirect Jobs Held by Service Territory Residents	1,190	260	1,450
<i>Total Economic Impact on Service Area</i>			
Output			\$ 428,034,000
Earnings <sup>3</sup>			\$ 79,461,000
Total Indirect Jobs Held by Service Territory Residents <sup>3</sup>			1,450

Output - Total dollar change in the Illinois service territory's economy due to expenditures for Ameren Illinois' operations

Earnings - Total dollar change in earnings of households in the Illinois service territory due to expenditures for Ameren Illinois'

Employment - Total change in the number of jobs held by Illinois service territory residents per \$1 million of direct spending for Ameren Illinois' operations (adjusted to 2015 dollars)

<sup>1</sup> Assumes that 58 percent of total diverse supplier spending is to support capital projects based on the distribution of non-labor capital and operations and maintenance spending for Ameren Corporation in 2014

<sup>2</sup> Includes Direct and Tier Two diverse supplier spending

<sup>3</sup> Only includes indirect earnings and jobs since this study only considers direct non-labor contractor spending by Ameren Illinois

## State of Illinois

The top of Table 5 on the next page shows the direct expenditures by Ameren Illinois on diverse suppliers in the entire state of Illinois of \$159.3 million in 2015.

- The \$159.3 million in Ameren Illinois' direct expenditures to diverse suppliers triggered an additional \$322.2 million in value added economic activity in its service territory, of which \$93.9 million was household earnings that supported 1,780 jobs in the state (average wage of \$53,000). The multipliers vary for different types of major expenditures shown at the top of the table. The "blended" economic activity multiplier is 2.0, indicating that the indirect economic impact of diverse supplier spending was over twice Ameren Illinois' direct spending within the state.
- The estimated total output (economic activity) triggered by Ameren Illinois' spending on diverse suppliers (\$159.3 million) and the added multiplier effects (\$322.2 million) was \$481.5 million for the state.
- Of that amount, Ameren Illinois' spending on diverse suppliers triggered \$93.9 million in household earnings for workers in the state.

## Supplier Diversity Program Economic Impact Study

- In total, Ameren Illinois spending on diverse suppliers supported approximately 1,780 indirect jobs for state residents.

Table 5. Economic Impacts of Ameren Illinois' Diverse Supplier Spending on the State of Illinois, 2015

	<i>Non-Labor Capital Expenditures</i> <sup>1</sup>	<i>Non-Labor Operational Expenditures</i>	<i>Total Diverse Supplier Spending</i> <sup>2</sup>
Direct Spending	\$ 92,397,000	\$ 66,909,000	\$ 159,306,000
<i>Multipliers (see explanatory notes below)</i>			
Output	2.369	1.5437	2.022
Earnings	0.776	0.3319	0.589
Employment	17.062	5.3809	12.146
<i>Added Economic Impact on Illinois</i>			
Output	\$ 218,888,000	\$ 103,287,000	\$ 322,175,000
Earnings	\$ 71,700,000	\$ 22,207,000	\$ 93,907,000
Indirect Jobs Held by Service Territory Residents	1,450	330	1,780
<i>Total Economic Impact on Illinois</i>			
Output			\$ 481,481,000
Earnings <sup>3</sup>			\$ 93,907,000
Total Indirect Jobs Held by Illinois Residents <sup>3</sup>			1,780

Output - Total dollar change in the Illinois economy due to expenditures for Ameren Illinois' operations

Earnings - Total dollar change in earnings of households in Illinois due to expenditures for Ameren Illinois'

Employment - Total change in the number of jobs held by Illinois residents per \$1 million of direct spending for Ameren Illinois' operations (adjusted to 2015 dollars)

<sup>1</sup> Assumes that 58 percent of total diverse supplier spending is to support capital projects based on the distribution of non-labor capital and operations and maintenance spending for Ameren Corporation in 2014

<sup>2</sup> Includes Direct and Tier Two diverse supplier spending

<sup>3</sup> Only includes indirect earnings and jobs since this study only considers direct non-labor contractor spending by Ameren Illinois

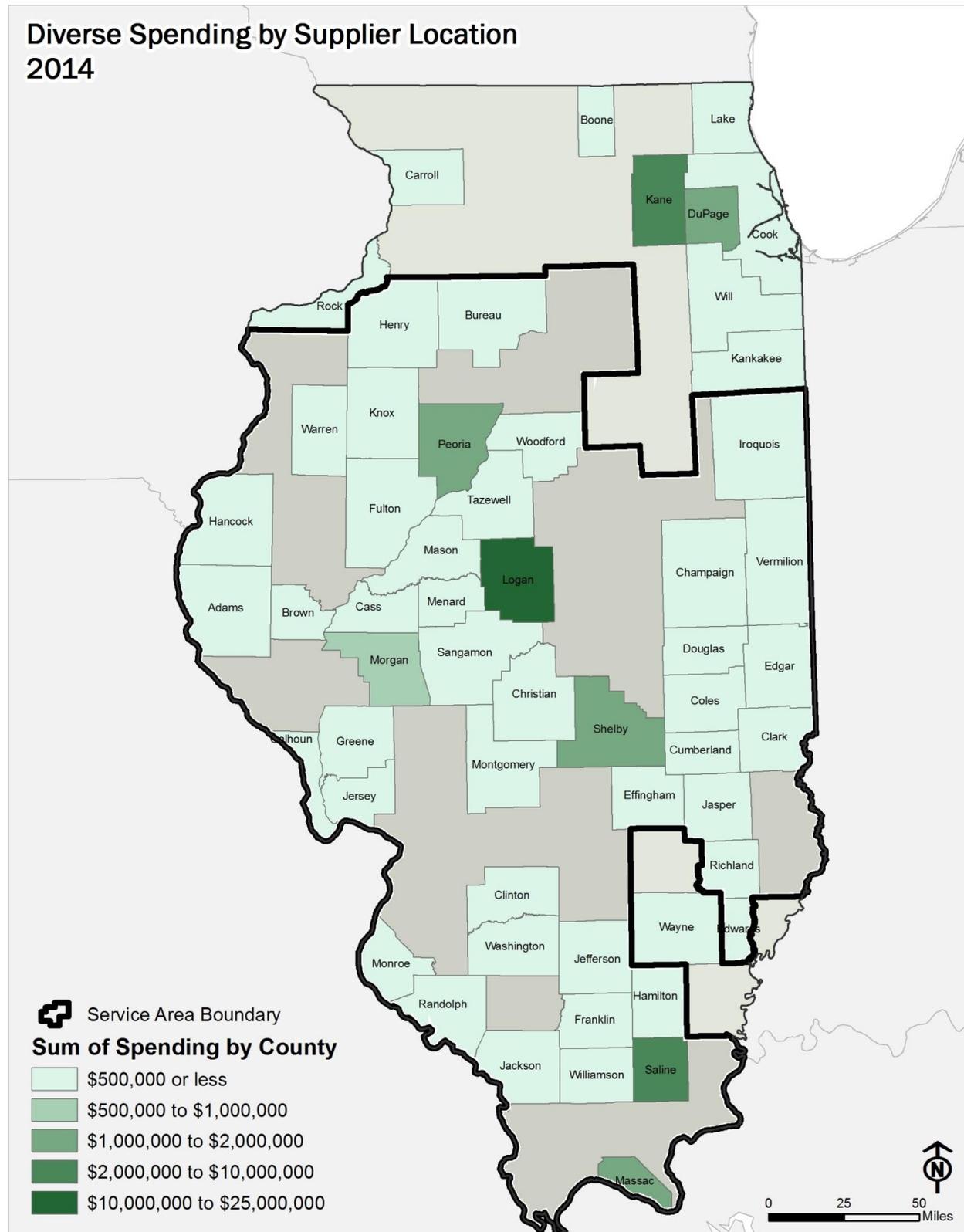
## Supplier Diversity Program Economic Impact Study

## APPENDIX TABLES: 2014 ECONOMIC IMPACTS BY SERVICE TERRITORY AND STATE

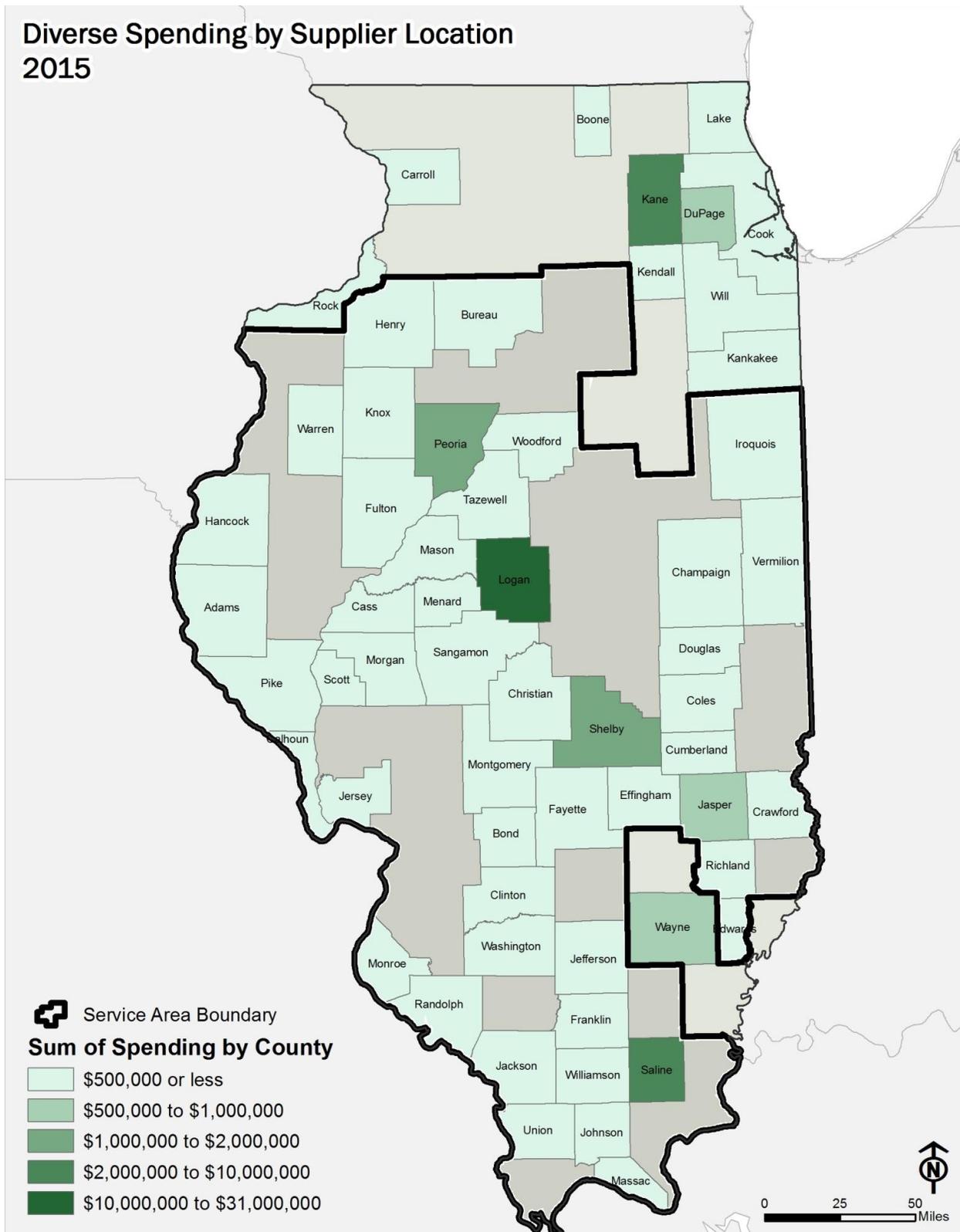
Economic Impacts of Ameren Illinois' Supplier Diversity Program Spending on its Illinois Service Territory, 2014			
	Non-Labor Capital Expenditures <sup>1</sup>	Non-Labor Operational Expenditures	Total Diverse Supplier Spending <sup>2</sup>
Direct Spending	\$ 73,741,000	\$ 53,399,000	\$ 127,140,000
<i>Multipliers (see explanatory notes below)</i>			
Output	1.8962	1.398	1.687
Earnings	0.6492	0.291	0.499
Employment	13.981	4.294	9.906
<i>Added Economic Impact on Service Territory</i>			
Output	\$ 139,828,000	\$ 74,641,000	\$ 214,469,000
Earnings	\$ 47,873,000	\$ 15,544,000	\$ 63,417,000
Indirect Jobs Held by Service Territory Residents	950	210	1,160
<i>Total Economic Impact on Service Territory</i>			
Output			\$ 341,609,000
Earnings <sup>3</sup>			\$ 63,417,000
Total Indirect Jobs Held by Service Territory Residents <sup>3</sup>			1,160
Output - Total dollar change in the Illinois service territory's economy due to expenditures for diverse suppliers			
Earnings - Total dollar change in earnings of households in the Illinois service territory due to expenditures for diverse suppliers			
Employment - Total change in the number of jobs held by Illinois service territory residents per \$1 million of direct spending for diverse suppliers (adjusted to 2014 dollars)			
<sup>1</sup> Assumes that 58 percent of total diverse supplier spending is to support capital projects based on the distribution of non-labor capital and operations and maintenance spending for Ameren Corporation in 2014			
<sup>2</sup> Includes Direct and Tier Two diverse supplier spending			
<sup>3</sup> Only includes indirect earnings and jobs since this study only considers direct non-labor contractor spending by Ameren Illinois			

Economic Impacts of Ameren Illinois' Supplier Diversity Program Spending on the State of Illinois, 2014			
	Non-Labor Capital Expenditures <sup>1</sup>	Non-Labor Operational Expenditures	Total Diverse Supplier Spending <sup>2</sup>
Direct Spending	\$ 73,741,000	\$ 53,399,000	\$ 127,140,000
<i>Multipliers (see explanatory notes below)</i>			
Output	2.369	1.544	2.022
Earnings	0.776	0.332	0.589
Employment	17.062	5.381	12.126
<i>Added Economic Impact on Illinois</i>			
Output	\$ 174,692,000	\$ 82,432,000	\$ 257,124,000
Earnings	\$ 57,223,000	\$ 17,723,000	\$ 74,946,000
Indirect Jobs Held by Illinois Residents	1,160	260	1,420
<i>Total Economic Impact on Illinois</i>			
Output			\$ 384,264,000
Earnings <sup>3</sup>			\$ 74,946,000
Total Indirect Jobs Held by Illinois Residents <sup>3</sup>			1,420
Output - Total dollar change in the Illinois economy due to expenditures for diverse suppliers			
Earnings - Total dollar change in earnings of households in Illinois due to expenditures for diverse suppliers			
Employment - Total change in the number of jobs held by Illinois residents per \$1 million of direct spending for diverse suppliers (adjusted to 2014 dollars)			
<sup>1</sup> Assumes that 58 percent of total diverse supplier spending is to support capital projects based on the distribution of non-labor capital and operations and maintenance spending for Ameren Corporation in 2014			
<sup>2</sup> Includes Direct and Tier Two diverse supplier spending			
<sup>3</sup> Only includes indirect earnings and jobs since this study only considers direct non-labor contractor spending by Ameren Illinois			

APPENDIX MAPS: 2014 AND 2015 DIVERSITY SPENDING BY COUNTY



Supplier Diversity Program Economic Impact Study



## **APPENDIX B**

### **ORGANIZATION PARTICIPATION**

Ameren actively engages in a number of organizations which support and promote capabilities of diverse suppliers:

- St. Louis Minority Business Council
- Edison Electric Institute
- American Association of Blacks in Energy
- Chicago Minority Supplier Development Council
- Illinois Black Chamber of Commerce
- Illinois/Missouri Hispanic Chamber of Commerce
- National Minority Supplier Development Council
- Women Business Enterprise National Council
- National Gay Lesbian Chamber of Commerce
- Veteran Business Resource Center
- National Association of Minority & Women Owned Law Firm (NAMWOLF)

**APPENDIX C**

**ORGANIZATIONAL CHART**



## **APPENDIX D – SUCCESS STORIES**



Environmental Design  
International inc.

33 W Mnr oe St . , Sui t e 1825  
Chi cago, I l l i n o i s 60603  
p h o n e : 312. 345. 1400  
f a x : 312. 345. 0529  
w w w . e n v d e s i g n i . c o m

October 21, 2015

Mr. Richard J. Mark  
Ameren Illinois  
Chairman and President  
6 Executive Drive  
Eastport Plaza  
Collinsville, IL 62234

Dear Mr. Mark,

It's clear to us as a minority, woman-owned Ameren vendor that supplier diversity is truly a core business initiative. I want to take a moment to share our experience, beginning with my attendance in August, at the Tuck School of Business at Dartmouth's *Growing the Minority Business to Scale* program as an Ameren scholarship recipient.

I received one of the two Tuck scholarships available to established Ameren suppliers this year. I attended the Tuck program in August and participated in an amazing a week-long program involving intense training around finance, marketing, advertising, balance sheets, and other business strategies. I found the financial curriculum to be most helpful. We took financial planning tools and saw how manipulating one aspect of the business can play out long term for the company. I was also inspired by the marketing and branding content of the program. I came home with invaluable knowledge and have begun to share it with my leadership team, as part of an overall strategic planning initiative underway here at EDI. And I've expanded my network to include my Tuck classmates—since we've continued to stay in touch after this program!

I can also say EDI has benefited first hand from Byron Witherspoon's efforts to elevate Ameren's Diversity Program. In 2009, we received a Master Service Agreement (MSA) contract to provide environmental services at former Manufactured Gas Plant (MGP) sites for Ameren. EDI's first project was successfully executed and completed, with excellent mentoring from Ameren's environmental team. Our success resulted in two additional Task Orders for similar MGP related site services. These contracts have positioned EDI to become one of Ameren's largest spend with a diverse professional services consultant, with total billings at \$1.72 million to date. We're also looking forward to expanding our Ameren portfolio by working under Sevenson Environmental on a new MSA for MGP soil remediation work.

In addition, EDI would like to especially recognize the mentoring efforts of your environmental team, especially Warren Mueller and Brian Martin. This relationship has enabled us to learn Ameren's process and grow with them. EDI appreciates the communication, availability, and positive re-enforcement offered by them to allow EDI to best serve Ameren's needs.

With Ameren's dedicated professionals in your Supplier Diversity group, and Ameren's focus on mentorship and expanding opportunities to diverse businesses, EDI is looking forward to continued opportunity to grow our services with Ameren. We are proud to be a success story with Ameren and we look forward our continued business relationship.

Respectfully,  
**Environmental Design International inc.**

A handwritten signature in blue ink that reads "Deborah M. Sawyer".

Deborah M. Sawyer  
Founder and CEO



Ameren  
Attn: Byron Witherspoon, PMP  
Director, Supplier Diversity  
1901 Chouteau Avenue  
St. Louis, Missouri 63166

July 13, 2015

RE: Supplier Diversity Program

Dear Mr. Witherspoon:

As you are aware, Unlimited Water Processing, Inc. ("Unlimited Water") has been supplying premium drinking water to Ameren for nearly 5 years under Ameren's Supplier Diversity Program (the "Program"). Our association with Ameren over the years has had a significant impact on our company and our community. Unlimited Water and its parent company, Maintenance Unlimited Janitorial, Inc., are 100% minority owned and have been headquartered in North St. Louis County for over 35 years. Unlimited Water is committed to providing work opportunities for minorities in and around the St. Louis Metropolitan Area, and our success is attributable, in part, to supplier diversity programs such as Ameren's.

Unlimited Water's business with Ameren has positively impacted Unlimited Water's sales volume and allowed Unlimited Water to increase its workforce. In the approximately 4.5 years that Unlimited Water has been doing business with Ameren, Unlimited Water has made nearly \$700,000.00 in sales to Ameren. Our relationship with Ameren has grown to approximately 30% of Unlimited Water's total sales volume. Since inception, Unlimited Water's sales volume with Ameren has increased by approximately 20%. Due to the increased sales volume from participating in the Program, Unlimited Water was able to hire four additional part-time employees and to increase its full-time production staff by approximately 15%.

Ameren's program has also helped impact Unlimited Water's and its affiliates' investment in North St. Louis County. Due in part to Unlimited Water's increased revenues from participation in the Program, in 2011, an affiliate of Unlimited Water purchased and renovated a new, expanded and modernized facility in Berkeley, Missouri. This new facility has provided expanded office, warehouse and production space, and has enabled Unlimited Water to expand its total operations by approximately 50% since occupying the new facility in early 2012.

I hope that the above statistics highlight how important the Program is to Unlimited Water. We are extremely fortunate to be able to continue to participate in the Program and to provide our products and services to Ameren on a regular basis. We appreciate our relationship with Ameren and hope it will continue for many years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Darren Shepard", is written over a horizontal line.

Darren Shepard, Vice President

CC:Elliott Henry

6891 Hazelwood Ave., Berkeley, MO 63134 Phone: (314) 227-4602 Fax: (314) 292-8395



21M Group  
118 South Clinton Street  
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Chicago, Illinois 60661  
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f: 312-441-9558  
www.2imgroup.com

August 13, 2015

Ameren Illinois  
1901 Chouteau  
St. Louis, MO  
63103

ATTN: Richard J. Mark  
Ameren Illinois-Chairman & President

Dear Mr. Mark,

I would like to thank you for awarding me the scholarship for the "Growing your Minority Business" at the Tuck School of Business. I attended the course last week (Aug 2 – 7). The professors, guest speakers, and course material were very impressive and are extremely useful.

I particularly want to thank Byron Witherspoon for operating a wonderful Diversity Program, which I think, should be duplicated throughout the industry.

I've included a picture of the two Ameren recipients (Deborah Sawyer and me) with Byron and two professors.

Sincerely,

A handwritten signature in blue ink, appearing to read "Luis Montgomery", written over a horizontal line. Below the line, the text "Luis Montgomery, PE" is printed in a black, sans-serif font. A long, horizontal blue line extends from the end of the signature across the page.

## 2015 SUPPLIER DIVERSITY SYMPOSIUM HIGHLIGHTS



## **2015 SUPPLIER DIVERSITY SYMPOSIUM HIGHLIGHTS**

