# SCHEDULE E – DIVERSE BUSINESS ENTERPRISES SUBCONTRACTING GOAL AND REPORTING REQUIREMENTS

In accordance with **California Public Utilities Commission (“CPUC”) General Order 156,** Contractor shall submit all documentation required by Company to report its verified Minority, Women, Service-Disabled Veteran, LGBT and SBA 8(a) Business Enterprise (hereinafter, “DBE”) expenditures in support of or subcontracted under this Agreement.

# SUBCONTRACTING GOAL

In an effort to meet and exceed Company and CPUC goals, Company has set a goal of **40%** of total Company procurement utilizing DBEs. Company’s goal is achieved by direct contracting with CPUC Clearinghouse certified DBEs and by Contractor’s utilization of certified DBE subcontractors.

As part of Company’s effort toward achieving these goals, Contractor shall make reasonable efforts to utilize DBE subcontractors during the performance of any Work under any contract that may result from this Agreement, to the extent appropriate to the Scope of Work.

In addition to Company's goal of increasing DBE business opportunities, federal and state regulations call for DBE efforts on all contracts for services of over $500,000, and construction contracts over $1 million, or whenever there is an opportunity to subcontract.

By this reference, the attached DBE subcontracting plan (“DBE Goal”) is made a part of this Agreement. If Contractor changes subcontractors for any Work during the term of the Agreement, Contractor shall make reasonable efforts to award subcontracts to certified DBE subcontractors at approximately the same estimated total dollars and percentage value (or higher) as stated in the DBE Goal and in accordance with the terms of the Agreement.

Company strongly encourages Contractor to consistently meet or exceed Contractor’s stated DBE Goal throughout the Term.

Contractor shall confirm that all DBE subcontractors performing Work under this Agreement are certified through the CPUC Supplier Clearinghouse (“Clearinghouse”):

[www.thesupplierclearinghouse.com/](http://www.thesupplierclearinghouse.com/)

For Service Disabled Veteran–owned companies, Contractor shall confirm they are certified by the California DGS Office of Small Business & Disabled Veteran Business Enterprise Services (“OSDS”):

www.dgs.ca.gov/pd/Programs/OSDS

# MONTHLY REPORTING REQUIREMENTS

Contractor shall also provide Company with reports on payments made to certified DBE subcontractors in accordance with its DBE Goal using the online subcontracting reporting system (subcontracting portal) available at the address listed below. Contractor’s logon and password for the online subcontracting portal will be provided when the Agreement is accepted and approved. For questions regarding the online reporting process, email supplierdiversity@sempra.com.

dbespendreporting.sempra.com

During performance of the Work and throughout the term of this Agreement, Contractor shall enter subcontractor spend into online subcontracting portal by close of business on the seventh of each month.

The DBE subcontract dollars and statistics reported by Contractor will be included in Company’s Annual DBE Report to the CPUC filed every March 1st.

Company may perform random audits of Contractor’s Subcontract Reports as determined to be necessary in Company’s sole discretion.

SUPPLIER DIVERSITY TEAM WILL REVIEW SUBCONTRACTING RESULTS ON A MONTHLY BASIS TO VALIDATE EFFORTS ARE BEING MADE TO ACCOMPLISH STATED GOALS.

# DBE DEFINITIONS

**MINORITY–OWNED BUSINESS ENTERPRISE**

“Minority-owned business enterprise” (“MBE”) means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, African Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined herein.

**Note**: Foreign-owned companies operating in or out of the U.S. are *not* included.

# WOMEN–OWNED BUSINESS ENTERPRISE

”Women-owned business enterprise” (“WBE”) means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.

**Note**: Foreign-owned companies operating in or out of the U.S. are *not* included.

# SERVICE DISABLED VETERAN–OWNED BUSINESS ENTERPRISE

“Disabled veteran business enterprise” (“SDVBE”) means (1) a business enterprise that

* 1. is at least 51% owned by one or more disabled veteran individual(s) of the United States Military, Naval, or Air Service with a Service-connected disability of at least 10% who is a resident of the State of California and certified by the California DGS Office of Small Business & Disabled Veteran Business Enterprise Services (OSDS) as a disabled veteran, (b) in the case of a publicly owned business, an enterprise whose stock is at least 51% owned by one or more disabled veterans, (c) a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans, or (d) a joint venture in which at least 51% of the joint venture's management and control and earnings are held by one or more disabled veterans, (2) the management and control of the daily business operations are by one or more disabled veterans; provided however, the disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern, and (3) a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.

# LESBIAN, GAY, BISEXUAL OR TRANSGENDER-OWNED BUSINESS ENTERPRISE

“LGBT-owned business enterprise” means (1) a business enterprise (a) that is at least 51% owned by a lesbian, gay, bisexual, or transgender person or persons or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more lesbian, gay, bisexual, or transgender persons; and (2) whose management and daily business operations are controlled by one or more of those individuals.

# DISADVANTAGED BUSINESS ENTERPRISE (SBA 8(a))

“Disadvantaged Business Enterprise” (“SBA 8(a)”) means (1) a business enterprise that must be majority-owned (51% or more) and controlled/managed by socially and economically disadvantaged individual(s), (2) the individual(s) must be an American citizen, by birth or naturalization, (3) the individual(s) controlling and managing the firm on a full-time basis must meet the SBA requirement for disadvantage, by proving both social disadvantage and economic disadvantage, and (4) business must be a small business.