

INCLUSION & DIVERSITY

2021

ANNUAL REPORT

Illinois Commerce Commission

Justin Ladner, President
Illinois American Water

300 North Water Works Drive Dr. Belleville, IL 62223



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I. PRESIDENT'S MESSAGE



JUSTIN LADNER
President

Illinois American Water

A handwritten signature in black ink that reads "Justin L. Ladner".

2021 was the year of Charting the Path to the Next Normal. Navigating the COVID-19 pandemic as a business required us to focus on sustainable and inclusive growth. For the fourth consecutive year, Illinois American Water exceeded year-over-year diverse spending goals to achieve 28.8% in diverse spending. Execution of the strategies within the five-year plan for growth with diverse suppliers demonstrated results but not without some struggles that required continued resilience from our supplier partners and Illinois American Water diversity champions. We finished 2021, spending 3.3% higher than the goal we set, and an overall increase of 13.0% for the year, despite challenges in global supply chain that put many projects at risk.

Supplied Industrial Solutions, Inc. (SIS), our longtime supplier partner was one of many diverse firms that helped Illinois American Water navigate pandemic-related challenges. SIS proactively managed, their inventory and general supply shortages by delivering innovative solutions to hedge increased pricing and logistics for critical materials. This challenge became a great opportunity to strengthen the partnership between both organizations. Additionally, (SIS) expanded their business capabilities beyond pipe distribution, to robust material solutions and, full service contracting. Other veteran-owned firms like SIS, some of which you can read more about in the supplier stories section of the report, contributed to an increased spend with Illinois American Water by 45.0% since 2020.

Illinois American Water's commitment to support diverse supplier spending is reflective of our commitment to create equity for our current and potential business partners in the state of Illinois. Our spend with Illinois-based business represented 54.0% of all diverse spending in 2021, an increase of 20.0% from 2020.

Looking Ahead to 2022

As part of our five-year Supplier Diversity strategy, we will continue to focus on growth with an emphasis on sustainability. Strengthening partnerships with new and existing diverse suppliers is a critical goal and one that will include the development and delivery of formal training and mentoring programs. Through these activities we will acclimate new suppliers to Illinois American Water's business practices and culture while also enhancing the capabilities of existing mature supplier relationships.

Tackling these challenges successfully will require experimentation, speed, and broad coalitions for change. Illinois American Water remains steadfast in our commitment to invest in the internal systems and structures necessary to accomplish these goals, evidenced by our recently formed Supplier Diversity Steering Committee of Operations and the creation of our new Program Director, Supplier Diversity and Community Outreach leadership position.



Kerry Brown Jr.
CEO

“

I'm grateful that Illinois American Water gave me an opportunity to do some paving and concrete removal when my company first got started.

I value IAW and J.C. Dillon for their support, partnership, and mentorship they have provided me over the years.

Thanks again for providing the opportunity to participate in many IAW projects and trusting your hauling needs with Kerry Brown Trucking.

We look forward to a continued partnership with Illinois American Water.”

- Leo Kerry Brown Jr.-
Kerry Brown Trucking, LLC
A Minority Owned Business



“As an Asian American, a female, and an immigrant engineer, I've always found it difficult to ‘fit in’ the mold of the typical person in the civil engineering field. That is, until I joined American Water and realized that you don't have to ‘fit in’ you just have to be yourself and shine brilliantly.”

Padma Paan, Engineering Manager.



II. DASHBOARD



Total Diverse Spend
28.8%
\$65M



3.3% above total diverse spend goal



83% increase in total diverse spend since 2019



Increased YOY total diverse spend **by 13%**



Since 2018, continue to exceed YOY diverse spend goal **4 consecutive years**



VBE

\$18M

- + **VBE SPEND 8.0%:** DOUBLED VBE SPEND GOAL
- + **4.0%** ABOVE GOAL
- + **44.8% INCREASE** IN VBE TOTAL SPEND SINCE 2020



WBE

\$17M

- + INCREASED SPEND GOAL **BY 82.0%** SINCE 2019
- + **6.7% INCREASE** IN YOY TOTAL SPEND GOAL



Illinois-based Businesses

\$46M

- + INCREASED SPEND **BY 20.0%** WITH ILLINOIS DIVERSE-OWNED BUSINESSES
- + **54.0%** OF ILLINOIS SPEND IS WITH ILLINOIS **DIVERSE-OWNED FIRMS**



MBE | \$23M

III. TERMS & DEFINITIONS

| | |
|--|---|
| CERTIFIED | Means currently certified as MWDVBE by an authorized certifying body, such as the National Minority Supplier Development Council (NMSDC) or its affiliate regional councils, the Women's Business Enterprise National Council (WBENC) |
| CONTROL | Means overall fiscal/legal responsibility and exercising the power to make policy decisions. |
| DISABLED- OWNED BUSINESS ENTERPRISE (DBE) | Means a business that is usually certified by a federal, state or local government agency as having met all of the government standards that award eligibility, but may include women, minority, disabled and other disadvantaged by as a result of economic disadvantages with respect to education, employment, residence or business location or social disadvantage and lack of business training. |
| HISTORICALLY UNDERUTILIZED BUSINESS (HUB) | Means a business located in a "historically underutilized business zone," owned and controlled by one or more U.S. Citizens, and at least thirty-five percent (35%) of its employees must reside in a HUBZone. It must appear on the list of Qualified HUBZone Small Business Concerns maintained by the SBA. |
| LESBIAN, GAY, BISEXUAL AND/OR TRANSGENDER- OWNED BUSINESS ENTERPRISE (LGB/LGBTBE) | Means a business that is majority (at least 51.0%) owned, operated, managed, and controlled by a lesbian, gay, bisexual, and/or transgender (LGBT) person or persons who are either U.S. citizens or lawful permanent residents, exercises independence from any non-LGBT business enterprise, has a principal place of business (headquarters) in the United States, and has been formed as a legal entity in the United States. |
| MINORITY- OWNED BUSINESS ENTERPRISE (MBE) | Means a business concern in which at least 51.0% of the ownership and control is held by individuals who are members of a minority group and of which at least 51% of the net profits accrue to members of a minority group. Such persons include, but are not limited to, Black Americans, Hispanic Americans, Asian Pacific Americans (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the former U.S. Trust Territory of the Pacific Islands [Republic of Palau, the Commonwealth of the Northern Mariana Islands, Republic of the Marshall Islands, Federated States of Micronesia], Laos, Cambodia [Kampuchea], Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru), Subcontinent Asian Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal), Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians), and members of other groups designated by the U.S. Small Business Administration as minorities. |
| OWNED | Means at least 51.0% of the business or, in the case of a publicly owned business, at least 51.0% of the stock is owned by a minority, woman or service-disabled veteran. |

| | |
|--|--|
| SERVICE-DISABLED VETERAN- OWNED BUSINESS ENTERPRISE (SDVBE) | Means a business concern that is (a) at least 51.0% owned by one or more service- disabled veterans or, in the case of any publicly owned business, at least 51.0% of the stock of which is owned by one or more service-disabled veterans or, (b) in the case of a veteran with a permanent and severe disability, the spouse or permanent caregiver of such veteran. |
| SMALL DISADVANTAGED BUSINESS (SDB) | <p>Means a “for profit” business: That qualifies as “small” per the SBA Table of Small Business Size Standards Matched to North American Industry Classification System Codes.</p> <p>That is at least 51.0% unconditionally owned by one or more U.S. citizens who are socially and economically disadvantaged individuals.</p> <p>Whose management and daily business operations are controlled by one or more U.S. citizens who are socially and economically disadvantaged individuals.</p> <p>4. The personal net worth of each individual claiming economic disadvantage is less than \$750,000 (except for tribes, Alaskan Native Corporation-Owned Concerns [ANCs], Community Development Corporation-Owned Concerns [CDCs] and Native Hawaiian Corporation-Owned Concerns [NHOs]).</p> <p>Note: ANCs, NHOs, or CDCs, must meet the “ownership,” “management,” and “control” criteria in Title 13 of the Code of Federal Regulations, Part 124.109, 124.110 and 124.111, respectively.</p> |
| SMALL BUSINESS (SBE/SMB) | <p>Depending on the industry, “small” is defined by either the number of employees or average annual receipts of a business concern. Website references for size standards by NAICS code is:</p> <p>www.sba.gov/services/contractingopportunities/ sizestandardsttopics/index.html</p> |
| SMALL DISADVANTAGED BUSINESS 8A (SDB-8A) | Means a designation given to small companies owned by socially and economically disadvantaged persons, so that they may bid and obtain federal government contracts and other assistance to develop their business. The business owner must be eligible under the same rules and guidelines set down by the federal government. |
| VETERAN- OWNED BUSINESS ENTERPRISE (VBE) | Means a business concern that is at least 51.0% owned and controlled or, in the case of a publicly owned business, at least 51.0% of the stock is owned by an owner or owners who are veterans of the U.S. military, ground, navel, or air service, who (a) served on active duty for a period of more than one hundred and eighty (180) days and were discharged or released with other than a dishonorable discharge or (b) were discharged or released from active duty because of a service-connected disability. |
| WOMEN-OWNED BUSINESS ENTERPRISE (WBE) | Means a business concern which is at least 51.0% owned and controlled by a woman or women or, in the case of any publicly owned business, at least 51% of the stock is owned by a woman or women. Such women’s business enterprise shall further be classified as either minority or non-minority women-owned business, depending upon the greater portion of ownership. |

IV. SUMMARY OF SPENDING



SUMMARY OF MINORITY-OWNED, WOMEN-OWNED, VETERAN-OWNED, AND SMALL BUSINESS ENTERPRISE GOALS AND SPENDING IN THE 2021 CALENDAR YEAR

AMERICAN WATER EXPENDITURES & VENDOR UTILIZATION

| SPEND CATEGORY | TIER I (DIRECT) | TIER II | TOTAL | ACTUAL | GOAL |
|---------------------------------------|----------------------|---------------------|----------------------|--------------|--------------|
| MBE | \$77,789,776 | \$23,798,571 | \$101,588,347 | 4.7% | |
| WBE | \$189,799,248 | \$39,279,942 | \$229,079,190 | 10.6% | |
| VBE | \$39,404,038 | \$9,430,628 | \$48,834,666 | 2.3% | |
| TOTAL M/W/VBE/SDV | \$306,993,061 | \$72,509,141 | \$379,502,202 | 17.6% | |
| SMB | \$251,541,137 | \$23,158,123 | \$274,699,260 | 12.7% | |
| TOTAL DIVERSE - ALL CATEGORIES | \$558,534,198 | \$95,667,264 | \$654,201,462 | 30.3% | 27.9% |

A. American Water – Expenditures & Vendor Utilization

Table A demonstrates the total expenditures of American Water and all thirteen (13) of its corporate entities.

The regulated business spend with certified diverse suppliers is 17.6% of its sourceable spend in the year 2021. This is a 0.1% decrease below the set target of 17.7%.

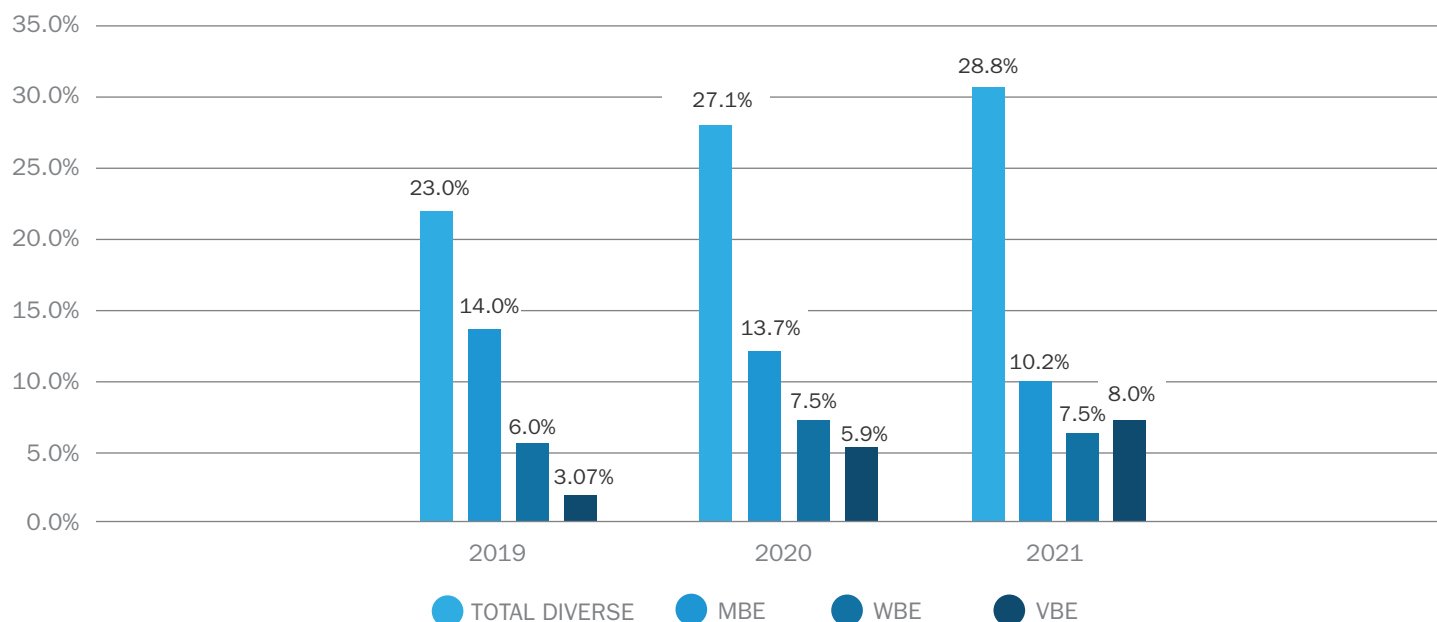
The overall spend performance includes the contribution of Illinois American Water and the expenditures and vendor utilization demonstrated in Section B.

B. Illinois American Water Expenditures & Vendor Utilization

| ILLINOIS AMERICAN WATER EXPENDITURES & VENDOR UTILIZATION | | | | | |
|---|---------------------|---------------------|----------------------|--------------|--------------|
| ILLINOIS AMERICAN WATER (ALL SUPPLIERS) | | | | | |
| SPEND CATEGORY | TIER I (DIRECT) | TIER II | TOTAL | ACTUAL | GOAL |
| MBE | \$12,718,283 | \$10,272,992 | \$22,991,275 | 10.2% | |
| WBE | \$11,032,484 | \$5,970,892 | \$17,003,376 | 7.5% | |
| VBE/SDV | \$17,511,952 | \$475,041 | \$17,986,993 | 8.0% | |
| OTHER DISADVANTAGE | \$6,121,918 | \$935,724 | \$7,057,642 | 3.12% | |
| TOTAL M/W/VBE/SDV | \$47,384,637 | \$17,654,649 | \$65,039,286 | 28.8% | 25.5% |
| SMB | \$41,924,107 | \$615,807 | \$42,539,914 | 18.8% | |
| ALL CATEGORIES | \$89,308,743 | \$18,270,456 | \$107,579,199 | 47.6% | |

Note: Illinois American Water's performance remains one of the leading examples across the enterprise for meeting targeted goals and achieving diverse spend.

Illinois American Water's Diverse Spend



VBE category references throughout this report will include spend with both veteran and service-disabled veteran owned businesses.

C. Illinois American Water Expenditures with Illinois-based Diverse Vendors

| ILLINOIS AMERICAN WATER | | | | | | |
|--|----------------------|---------------------|----------------------------|------------------|--------------------|---------------------------|
| 2021 EXPENDITURES AND VENDOR UTILIZATION WITH ILLINOIS-BASED VENDORS | | | | | | |
| OVERALL | TOTAL OVER-ALL SPEND | TOTAL DIVERSE SPEND | TOTAL ILLINOIS BASED SPEND | | | |
| | \$226,004,689 | \$107,579,199 | \$85,830,442 | | | |
| SPEND CATEGORY | TIER I (DIRECT) | TIER II | TOTAL | % OF TOTAL SPEND | % OF DIVERSE SPEND | % OF ILLINOIS BASED SPEND |
| MBE | \$2,433,743 | \$8,395,383 | \$10,829,126 | 4.8% | 10.07% | 12.6% |
| WBE | \$5,373,753 | \$5,857,991 | \$11,231,744 | 5.0% | 10.4% | 13.1% |
| VBE/SDV | \$16,994,365 | \$416,397 | \$17,410,762 | 7.7% | 16.2% | 20.3% |
| OTHER DISADVANTAGE | \$6,059,987 | \$806,523 | \$6,866,510 | 3.0% | 6.4% | 8.0% |
| TOTAL M/W/VBE/SDV | \$30,861,848 | \$15,476,294 | \$46,338,142 | 20.5% | 43.1% | 54.0% |
| SMB | \$39,103,000 | \$389,300 | \$39,492,300 | 17.5% | 36.7% | 46.0% |
| TOTAL DIVERSE - ALL CATEGORIES | \$69,964,848 | \$15,865,594 | \$85,830,442 | 38.0% | 79.8% | 100.0% |

Table C demonstrates the overall diverse category spend against both the overall diverse spend, as well as the Illinois-based ONLY diverse spend. All diverse spend is “certified” suppliers only.

Illinois American Water has been extremely active in assessing and reallocating opportunities in the small business (SMB) category for potential NEW partnerships with vendors certified as MBE, WBE, VBE, SDVBE, SDB, 8A, DBE or LGBTBE.

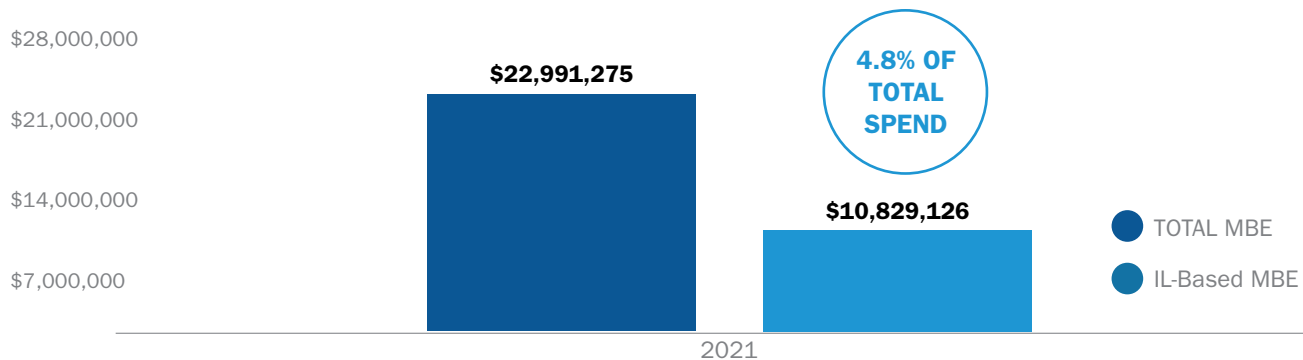
As a result of these efforts, the Illinois-based percentage of spend with small business (SMB) categorized firms continue to decrease while spend with Illinois-based diverse categorized businesses continue to increase. Within the state of Illinois, expenditures with diverse-owned businesses increased 20.0% in 2021.

Since 2019, total spend with Illinois-based diverse businesses increased by 38.0%. As of 2021 54.0% of Illinois base spend is with Illinois-based diverse suppliers. Illinois American Water continues to achieve these efforts through cultivation of partnerships with local and regional advocacy partners, increased presence at outreach events and meeting with local diverse firms in the communities we serve.

D. M/W/VBE Spend by Product/Service Category with Illinois-based Enterprises

| ILLINOIS AMERICAN WATER | | | | | |
|--|--------------------|-------------------|--------------------|-----------------|---------------------|
| ILLINOIS-BASED MINORITY BUSINESS ENTERPRISES BY CATEGORY | | | | | |
| PRODUCT/SERVICE | AFRICAN AMERICAN | HISPANIC AMERICAN | ASIAN AMERICAN | NATIVE AMERICAN | TOTAL |
| SPEC TRADE CNTRCTORS | \$1,939,961 | \$146,413 | | | \$2,086,374 |
| SEARCH & NAV EQUIP | \$1,842,305 | | | | \$1,842,305 |
| EXCAVATION WORK | \$3,300 | \$36,450 | \$1,781,364 | | \$1,821,114 |
| PLUMBING HVAC | \$1,511,938 | | | | \$1,511,938 |
| HGWY & STREET CONSTR | \$881,878 | \$36,404 | | | \$918,282 |
| INDUSTRIAL SUPPLIES | \$686,582 | | | | \$686,582 |
| LOCAL TRUCKING | \$495,815 | \$4,140 | | | \$499,955 |
| ELEC PARTS & EQUIP | \$320,863 | | | | \$320,863 |
| ENGINEERING SERVICES | \$257,419 | \$20,199 | \$42,456 | | \$320,074 |
| ROOF, SIDE, SHEETMTL | \$220,427 | | | | \$220,427 |
| DURABLE GOODS, NEC | \$218,568 | | | | \$218,568 |
| BLDG CONTRA-RES BLDG | \$126,771 | | | | \$126,771 |
| CONCRETE WORK | \$111,425 | | | | \$111,425 |
| ARHITECTURAL SERVCS | \$47,763 | | | | \$47,763 |
| APPAREL & ACCESSORIE | \$32,163 | | | | \$32,163 |
| NONRES CONSTR, NEC | \$28,680 | | | | \$28,680 |
| TRANSPORT SERVICES | \$16,985 | | | | \$16,985 |
| BUISNESS CONSLT, NEC | \$15,480 | | | | \$15,480 |
| WAT,SERW& UTIL LINES | \$944 | | \$2,120 | | \$3,064 |
| PUMPS & PUMP EQUIP | \$293 | | | | \$293 |
| PROFESSIONAL ORGS | \$20 | | | | \$20 |
| TOTAL | \$8,759,560 | \$243,606 | \$1,825,940 | \$0 | \$10,829,126 |

Illinois American Water's 2021 Illinois-based MBE Spend



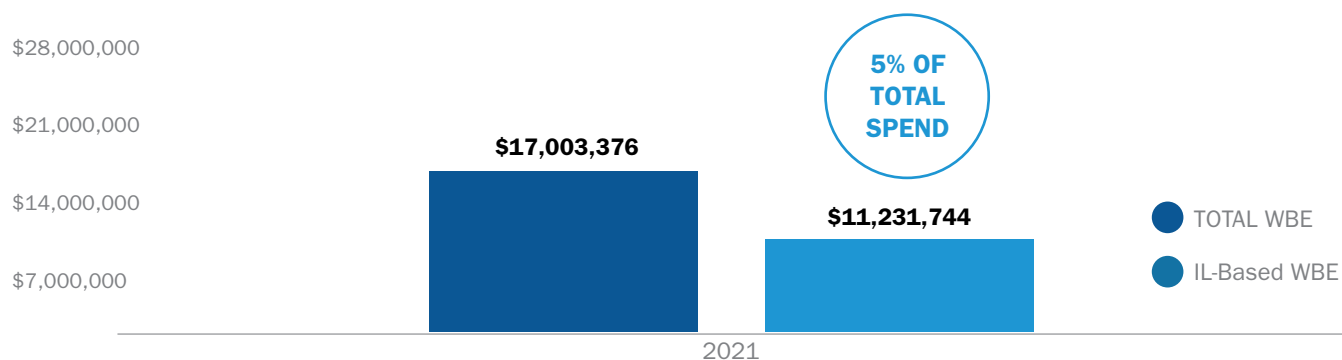
ILLINOIS AMERICAN WATER

ILLINOIS-BASED WOMEN BUSINESS ENTERPRISES BY CATEGORY 2021

| PRODUCT SERVICE | TOTAL |
|----------------------|---------------------|
| HEAVY CONST,NOT BLDG | \$2,528,679 |
| ELECTRICAL WORK | \$1,687,088 |
| CONCRETE WORK | \$1,680,768 |
| WAT, SEW&UTIL LINES | \$1,078,211 |
| ELEC PARTS & EQUIP | \$1,020,706 |
| COMPUTERS & SOFTWARE | \$752,408 |
| ENGINEERING SERVICES | \$704,784 |
| LAWN & GARDEN SERV | \$437,322 |
| EXCAVATION WORK | \$194,562 |
| IND INORGAN CHEMICLS | \$172,923 |
| LOCAL TRUCKING | \$126,394 |
| BLDG MAINT SERVICES | \$114,642 |
| ROOF, SIDE, SHEETMTL | \$82,735 |
| INDUSTRIAL SUPPLIES | \$80,114 |
| SPEC TRADE CNTRCTORS | \$77,186 |
| PLUMBING HVAC | \$70,878 |
| HGWY & STREET CONST | \$65,936 |
| TRANSPORT EQUIPMENT | \$61,723 |
| ROOF, SIDE , INSL | \$57,528 |
| NONRES CONSTR, NEC | \$55,201 |
| CHEM&ALLIED PRODUCTS | \$43,832 |
| SERVICES, NEC | \$33,345 |
| REFUSE SYSTEMS | \$29,923 |
| REAL ESTATE | \$27,111 |
| TRANSPORT SERVICES | \$17,355 |
| SPEC WAREHSE STRGE | \$14,317 |
| REPAIR SERVICES, NEC | \$3,979 |
| MISC FAB METAL PROD | \$3,444 |
| DURABLE GOODS, NEC | \$2,365 |
| BIT COAL MINING | \$2,200 |
| CONST,SPEC TRD CONTR | \$1,828 |
| RELAY & IND CONTROLS | \$1,362 |
| WATER WELL DRILLING | \$739 |
| PROFESSIONAL ORGS | \$120 |
| OFFICE EQUIPMENT | \$37 |
| TOTAL | \$11,231,744 |

Note: Since 2019, WBE Illinois-based spend has increased by 46.0% with an increase of 8.0% in 2021.

Illinois American Water's 2021 Illinois-based WBE Spend



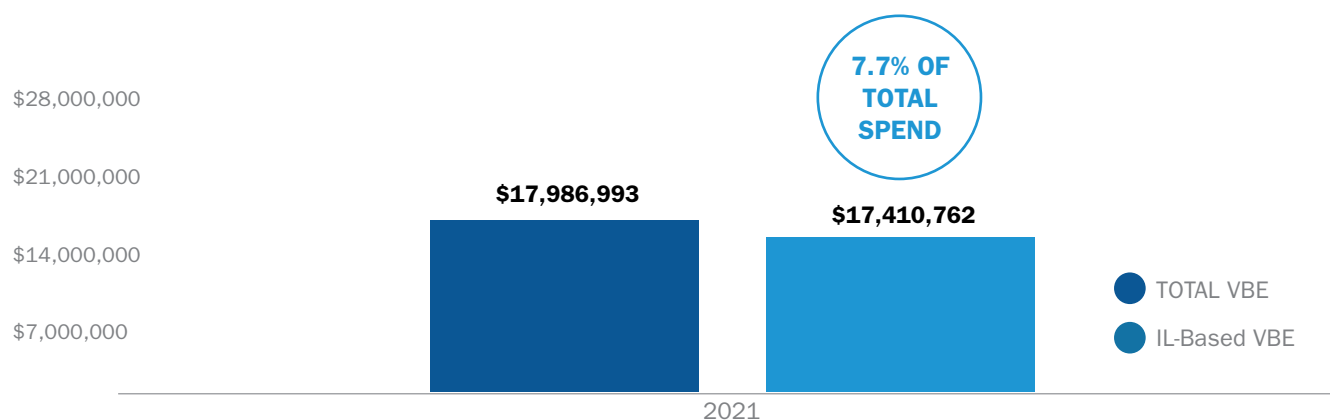
ILLINOIS AMERICAN WATER

ILLINOIS-BASED VETERAN BUSINESS ENTERPRISES BY CATEGORY 2021

| PRODUCT/SERVICE | TOTAL |
|-----------------------|---------------------|
| HEAVY CONST,NOT BLDG | \$12,893,973 |
| EXCAVATION WORK | \$3,090,553 |
| WAT, SEW&UTIL LINES | \$1,151,653 |
| ENGINEERING SERVICES | \$188,499 |
| SPEC TRADE CNTRCTORS | \$66,579 |
| NONRES CONSTR, NEC | \$14,930 |
| PLUMBING HVAC | \$3,186 |
| CLEAN PREP, PERFUM,CO | \$886 |
| MANUFACT INDUSTRIES | \$360 |
| MED & HOS EQUIP | \$142 |
| TOTAL | \$17,410,762 |

Notes: The incorporation of new veteran and service-disabled veteran business enterprises had a tremendous impact on 2021 spend performance. Overall spend with VBE/SDVBE firms increased more than 275% since 2019. The year-over-year comparison between 2020 to 2021 spend with Illinois-based VBE/SDVBE firms increased by 61.0%.

Illinois American Water's 2021 Illinois-based VBE Spend



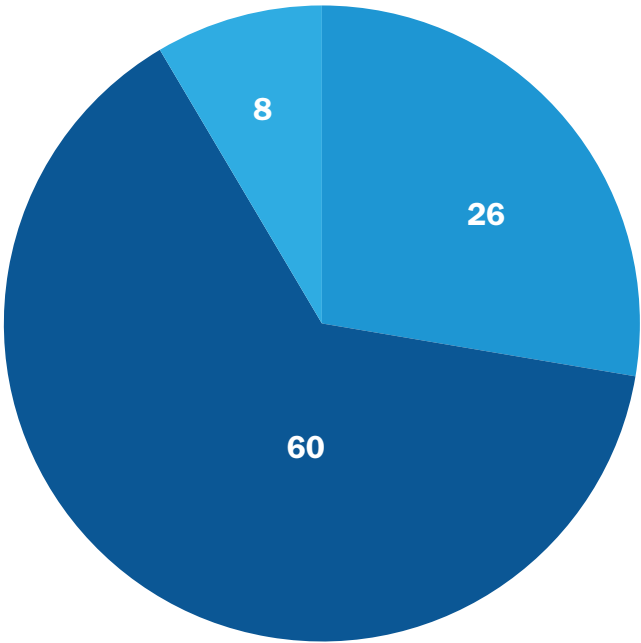
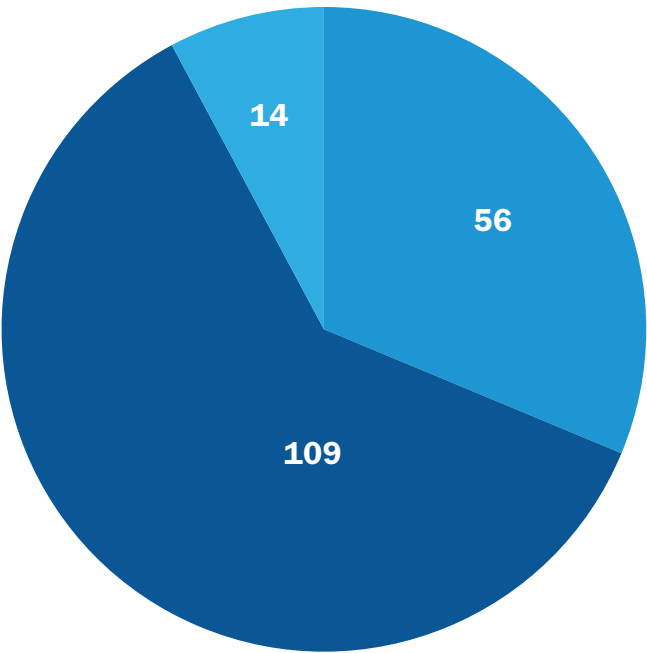
Note: VBE category includes SDV – Service Disabled Veteran owned businesses

E. Diversity Mix of Illinois-Based Diverse Business Enterprises

With a Total of 866 suppliers, the 2021 diverse business mix is as follows:

In 2021, a total of 179 tier 1 and tier II diverse business firms were included in the overall supplier total.

In 2021, a total of **94 Illinois-based** diverse business firms were included in the diverse supplier mix.



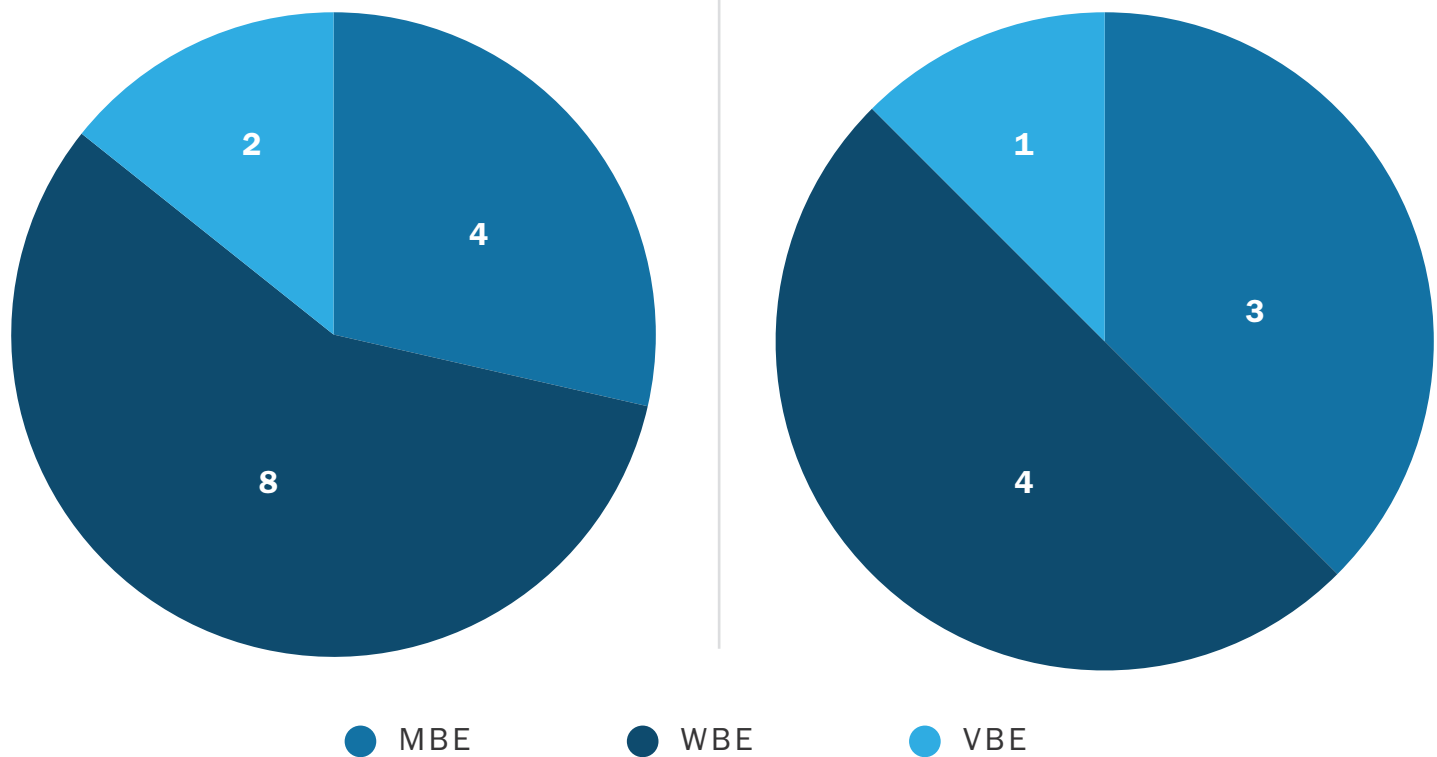
● MBE ● WBE ● VBE

F. New Diverse Suppliers in 2021

Illinois American Water maintained its commitment to identifying viable partnerships with new diverse firms. In accordance with the 2021 strategy, additional focus was placed on adding multiple diverse firms to competitive bidding events.

With \$4 million in spend, a total of **14 new diverse business suppliers** were added to the 2021 diverse business mix.

A total of **8 new Illinois-based** diverse business suppliers were added to the 2021 diverse business mix.



NEW DIVERSE SUPPLIERS FOR ILAW INCLUDES VENDORS EITHER NEW TO THE COMPANY OR NEW TO A DIVERSE CATEGORY IN 2021.

Key new diverse suppliers include:

- + A D LIFT TRUCK
- + ADVANCED COMPUTER SOLUTIONS GROUP
- + FOURNIE CONTRACTING COMPANY
- + MILLENNIA PROFESSIONAL SERVICE
- + ZADE TRUCKING LLC
- + KAMADULSKI EXCAVATING & GRADING
- + ALL SERVICE CONTRACTING CORP
- + ARTCRAFT PROMOTIONAL CONCEPTS
- + CORPORATE ID & PROMOTIONS INC
- + MIDWEST UNDERGROUND LLC
- + MURPHY NELSON MARKETING INC
- + ROY KEITH ELECTRIC COMPANY
- + TECHNOLOGY CONCEPTS GROUP
- + VOLT ELECTRIC INC

G. 2021 External Events Participation

During 2021 Illinois American Water created new unique partnerships, hosted, facilitated and participated in several events to increase opportunities for diverse talent and suppliers, and to engage with the community, both locally and nationally, through panel discussions, networking, best practices forums, job fairs, expos, training and other methods.

QUARTERLY

- + Illinois Utilities Business Diversity Council (IUBDC) Board of Directors Meetings

MONTHLY

- + Illinois Utilities Business Diversity Council (IUBDC) Committee Meetings

QUARTER 1: January - March

- + LGBT Illinois Chamber of Commerce: Downstate Resources for LGBTQ+ Owned Businesses Workshop
- + National Utilities Diversity Council: Diversity End User Buy-In Best internal customer practices prospering engagement, growth and development Workshop

QUARTER 2: April - June

- + Women's Business Development Center 2021 Spring Summit: Virtual Edition
- + Women's Business Development Center 2021 Supplier Diversity Virtual Matchmaker
- + Illinois Commerce Commission One-on-One Supplier Diversity Meetings

QUARTER 3: July - September

- + Illinois Manufacturers Association: Supplier Diversity Partnerships
- + Illinois State Black Chamber of Commerce 16th Annual Convention
- + Illinois Commerce Commission Annual Policy Session

QUARTER 4: October - December

- + LGBT Illinois Chamber of Commerce: Business Summit
- + St. Louis Supplier Diversity Professionals Network: Quarterly Best Practices Meeting
- + St. Louis Council of Construction Consumers: SLC3 Connecting Owners, Primes & MBE/WBE's with Project Opportunities
- + Women's Business Development Center: 2021 Central States Virtual Utility Conference & Business Matchmaking Conference

RECENT RECOGNITIONS INCLUDE

| 2021 | | | |
|--|-----|------|-----------|
| 2021 Military Friendly Employer - Gold (VIQTORY) | I&D | 2021 | Corporate |
| 2021 Military Spouse Friendly Employer (VIQTORY) | I&D | 2021 | Corporate |
| 2021 Military Friendly Supplier Diversity (VIQTORY) | I&D | 2021 | Corporate |
| Recognized as a 2021 member of the Bloomberg Gender Equity Index - 3rd straight year | I&D | 2021 | Corporate |
| “Champion of Diversity” - Forum of Executive Women’s | I&D | 2021 | Corporate |
| VETS Indexes 3 Star Employer | I&D | 2021 | Corporate |
| Disability Equality Index - Best Places to Work for Disability Inclusion | I&D | 2021 | Corporate |



V. POLICIES & METHODOLOGY

POLICIES

American Water Works Service Company, Inc., its subsidiary and affiliated companies are committed to creating an inclusive procurement process that is accessible and fair to all suppliers based on their ability to meet the company's performance, price, and quality requirements. Our employees are responsible for identifying, qualifying, selecting, and managing the procurement process for goods and services to assure that qualified diverse suppliers are appropriately included. Our employees must comply fully with all company policies and practices relating to the inclusion of diverse suppliers. We also strongly encourage our prime contractors and major suppliers to support supplier diversity by creating a competitive procurement process that provides opportunities to the greatest extent possible for diverse supplier sub-contractors and businesses. Excellence in supplier diversity will lead to excellence in supply chain management and will advance American Water's financial and operational goals while providing opportunities for success to a wide and diverse range of businesses in the communities we serve.

DIVERSITY INCLUSION POLICIES

1. Have an established corporate policy.
2. Have top corporate management support
3. Developed a Corporate Supplier Diversity Strategic Plan
4. Maintain comprehensive internal and external communications about the program
5. Regularly identify opportunities for diverse suppliers in strategic sourcing and supply chain opportunities
6. Established a comprehensive minority supplier development process
7. Track, report and set goals
8. Established a continuous improvement plan
9. Have a Second Tier Program
10. Recognize achievements of buyers and suppliers

DIVERSE SUPPLIER DEVELOPMENT

1. Provides feedback/performance reviews on RFP submissions
2. Delivers an Industry or Company specific education program (Internal University)
3. Provides formal mentoring program
4. Provides technical and/or quality program review and support
5. Works with existing diverse suppliers to expand their utilization within the company (across disciplines or geographic regions)
6. Conducts Supplier Recognition Awards
7. Encourages joint ventures and strategic alliances with diverse suppliers
8. Utilizes diverse suppliers in an area the company Tier 1-2 Level categories

METHODOLOGY

A. RFP Supplier Diversity Language

American Water and Illinois American Water defines diverse businesses as businesses owned, managed, and operated by individuals identified as: Small Business (As defined by The SBA), Ethnic Minorities, Women, Veterans, Service Disabled Veterans, Lesbian, Gay, Bisexual, or Transgender (LGBT), and Historically Underutilized Business Zones (HubZones), Illinois American Water is committed to increasing opportunity with all diverse businesses with an emphasis on Minorities, Veterans, and LGBT. Everything below is the actual policy utilized for all suppliers.

It is the policy of the American Water and its affiliates that Small Disadvantaged (SDB), Minority (MBE), Women Owned (WBE), Veteran (VET), Service Disabled Veteran (SDV), and HubZone (HUB), Small Business (collectively Diverse Suppliers), shall have the maximum practicable opportunity to participate in the performance of contracts for goods and services with American Water and its prime subcontractors.

As used in this contract, the term “small business” shall mean a small business as defined and set forth in Title 13, CFAR, part 121 (13 CFR 121) SBA’s size regulations pertaining to Federal procurement are also found in the Federal Acquisition Regulation, 48 CFR part 19. The term minority or women business enterprises shall mean a business that is 51.0% owned and managed by one or more women or minority. Small Disadvantaged is defined as those businesses that are determined to be both socially and economically disadvantaged under guidelines set forth by the U.S. Small Business Administration. Suppliers identifying under this category must “self-certify within the System For Award Management Registry www.sam.gov Businesses identifying as HubZone, Veteran or Service Disabled Veteran must present documents confirming their status as such.

Specific to this Agreement, the utilization goal for Diverse Suppliers is 25.0%, 10.0% specific to purchases with MBEs, of the third-party procurement spending related, directly or indirectly to this Agreement. In accordance with the policy of American Water RFP process, Seller is required to submit a small business-subcontracting plan that details the Sellers efforts to include diverse suppliers in subcontracting opportunities. On an ongoing basis;

- i. The Seller hereby agrees to carry out the policy in the award of his or her subcontracts to the fullest extent consistent with the efficient performance of this contract. Supplier further agrees to cooperate in any studies or surveys as may be conducted by the U.S. Small Business Administration as may be necessary to determine the extent of Supplier’s compliance with this clause.
- ii. The Seller agrees to establish and conduct a program that will enable diverse business enterprises to be considered fairly as subcontractors.
- iii. Include the utilization of diverse business clause in subcontracts that offer substantial diverse business opportunities.
- iv. Identify the actions, programs or efforts to be undertaken to comply with the stated policy regarding the goods and services specifically identifiable to the work to be performed under this Agreement.

- v. Identify procurement opportunities that may exist relating to this Agreement that include, Diverse Supplier participation in the direct production or distribution of Sellers products or services (collectively, “Direct Opportunities”);
- vi. Identify indirect products and services that Seller purchases to run its day to day operations that may be purchased from Diverse Suppliers
- vii. (collectively, “Indirect Opportunities”)
- viii. Seller agrees to provide assurances that the Seller will include the clause in all subcontracts that offer further subcontracting opportunities and that the Seller will require all Large subcontractors who receive subcontracts in excess of \$550,000 (\$1,000,000 for construction) to implement a plan similar to the plan agreed upon by the Seller.

Performance to goal is measured on a quarterly basis. Diverse suppliers certified by one of the affiliated local councils of National Minority Supplier Development Council, Women’s Enterprise Business National Council, State or Federal agencies will be included in this calculation. On an ongoing basis, Seller shall;

- ix. Submit second-tier quarterly spend reports to assist in evaluating its performance against the agreed upon subcontracting goals.
- x. The seller shall report quarterly diverse business expenditures by using the “Seller MWDVBE Quarterly Report”. The Seller MWDVBE Quarterly Report shall include a) MWDVBE expenditures specific to American Water, contracts (herein, “Direct Expenditures”); and
- xi. b) prorated share of the Primary Supplier’s non-contract specific MWDVBE expenditures (herein, “Indirect Expenditures”). American Water, prorated share of such Indirect Expenditures for the applicable calendar quarter shall be equal to the percentage derived from the following formula: Sales to American Water, / Sales to all customers.
- xii. Such reports shall be submitted by no later than thirty (30) days following the end of each calendar quarter and entered into <https://amwater.quantumsds.com/>
- xiii. This report is intended to provide a mechanism to monitor the Prime Supplier’s compliance and progress in achieving its MWDVBE commitments as set forth in this Exhibit.
- xiv. The Primary Supplier will provide:
- xv. A list of the name(s) and address(s) of the Certified MWDVBE suppliers the Primary Supplier has identified to be used in support of this Agreement;
- xvi. A description of the products/services or scope of work performed by MWDVBE suppliers;
- xvii. The percentage or volume of contract work performed by each such firm. Participate in periodic supplier diversity strategy sessions that focus on identifying solutions to increase opportunities for MWBEs under this Agreement to increase opportunities for MWBEs under this Agreement.

The extent to which suppliers (a) set challenging goals in their plan and (b) succeed in exceeding the goals are factors that American Water may consider favorably when deciding to extend, renew expiring agreements, or award new business in competitive bidding.

Suppliers who are identified as “Not Meeting Expectations” in support of small business subcontracting requirements will be required to submit a corrective action plan, detailing their efforts to correct areas of deficiency. Including: Proposed Contracting Strategy, Supplier Diversity Program Measurements, Education and Awareness and Outreach Activities.

[Please see Appendix C – “Supplier Diversity Reporting”](#)

B. Organizational Responsibilities

American Water’s corporate supply chain team facilitates frequent meetings with Illinois American Water’s supplier diversity team. The American Water National Supplier Diversity Team consists of a senior manager of Supplier Diversity and a senior diversity program lead, whose roles are to provide additional customer service and support to all companies responsible for the supplier diversity initiatives and programs.

Corporate Supply Chain is also responsible for providing quarterly diverse spend reporting and facilitating regular Category Team meetings, which allows each American Water affiliation the opportunity to provide input into diverse utilization of suppliers across all states for every segment of business and spend category noted in Appendix B.

C. Reporting/Metrics

Corporate Supply Chain will run monthly Tier I reports and quarterly reports that will include both Tier I and Tier II diverse supplier spend. To enhance the collection of data, support the achievement of goals and objectives, and to obtain a more timely and accurate tracking of diverse spend metrics, Corporate Supply Chain implemented a new system technology identifies and supports the following:

- + Automation of quarterly subcontractor diverse spend reporting
- + Key word, SIC, NAICS and other segment search options that will allow the supplier diversity team, as well as the procurement team, better visibility to diverse business owners.
- + Percentage of competitive procurement events that include a qualified diverse supplier
- + Percentage per diversity classification (e.g. woman-owned, minority-owned, disabled veteran-owned, etc.) of the included diverse suppliers
- + Percentage of contracts awarded to diverse suppliers
- + Participation in supplier diversity outreach activities (e.g .trade shows, networking events)
- + Year-over-year (month-over-month) comparisons of MBE, WBE, and VBE spend (\$ and %)

D. Diverse Spend Data Collection

Spend data on Tier I suppliers is recorded through American Water's procurement system when a payment is made to a supplier.

In accordance with the American Water Supplier Diversity Subcontracting Plan Questionnaire and the current fully executed contract on file, Tier 1 prime suppliers are required to submit quarterly Tier 2 diversity spend reporting is required through the Supplier Diversity Portal found at <https://amwater.quantumsds.com/quarterly>. Diversity spend data is collected during the bidding process through the Supplier Diversity Questionnaire form (Appendix A) and more recently, the Supplier Diversity Subcontracting Plan.

Please see Appendix A – “American Water Supplier Diversity Subcontracting Plan”

| QUARTER | MONTH | REPORT DUE DATE |
|----------------|--------------------|-----------------|
| FIRST QUARTER | JANUARY – MARCH | APRIL 30TH |
| SECOND QUARTER | APRIL – JUNE | JULY 30TH |
| THIRD QUARTER | JULY – SEPTEMBER | OCTOBER 30TH |
| FOURTH QUARTER | OCTOBER – DECEMBER | JANUARY 30TH |

Prime/Tier I suppliers should report Sub/Supplier/Tier II Supplier spend at <https://amwater.quantumsds.com/>

E. Exclusions

With the exception of property taxes, purchased water and non-competitive power services, Illinois American Water includes all categories of products and services allowed to define the overall procurement volume. Note Section VII. Areas of Procurement for defined list of categories purchased.

VI. SUPPLIER DIVERSITY GOALS

American Water is currently in the 4th year of its 5-year plan for growth with diverse suppliers. American Water has maximized the opportunity to engage prime suppliers and is developing a strategy to engage diverse suppliers in the first tier and instituted a supplier development plan to ensure continued success across all aspects of the business.

Illinois American Water continues to align its supplier diversity goals and procurement strategies with American Water. In 2023, the state leadership with American Water will roll-out the next multiyear diverse supplier growth plan.

Exhibit A: Illinois American Water Company Goals

| Division | Business Unit | 2019 Goal Target: | 2020 Goal Target: | 2021 Goal Target: | 2022 Goal Target: |
|-----------------|---|-------------------|-------------------|-------------------|-------------------|
| Corporate | American Water Service Company | 7.4% | 12.64% | 17.64% | 22.6% |
| Enterprise-Wide | American Water Works Service Company, Inc., its subsidiary and affiliated companies | 23.0% | 25.0% | 27.9% | 30.70% |
| Mid-Atlantic | Pennsylvania American Water Company | 3.0% | 3.47% | 3.69% | 10.0% |
| Mid-Atlantic | West Virginia American Water Company | 5.44% | 6.35% | 7.26% | 8.2% |
| Midwest | Illinois American Water Company | 16.2% | 20.9% | 25.5% | 27.0% |
| Midwest | Missouri American Water Company | 16.0% | 19.25% | 21.12% | 23.0% |
| Midwest | Indiana American Water Company | 10.0% | 10.96% | 12.03% | 13.1% |
| Midwest | Iowa American Water Company | 3.8% | 6.81% | 8.67% | 9.5% |
| Northeastern | New Jersey American Water Company | 14.09% | 16.64% | 19.18% | 21.7% |
| Northeastern | Virginia American Water Company | 6.0% | 7.71% | 9.43% | 8.2% |
| Northeastern | Maryland-American Water Company | 1.35% | 1.57% | 1.8% | 2.0% |
| Southeastern | Kentucky American Water Company | 9.5% | 10.5% | 12.0% | 17.6% |
| Southeastern | Tennessee American Water Company | 7.9% | 10.1% | 12.0% | 14.6% |
| Western | California American Water Company | 30.9% | 31.7% | 32.1% | 37.0% |
| Western | Hawaii American Water Company | 3.0% | 3.8% | 4.6% | 5.5% |

2022 Goals are estimated targets that are subject to change based on adjustments made to operational plans that impact the expected procurement of goods and services.

Illinois American Water Goals vs Actuals

| | TOTAL DIVERSE (M/W/VBE/OTHER) | | MBE | | WBE | | VBE/SDVBE | |
|------|----------------------------------|--------|-------|--------|------|--------|-----------|--------|
| | GOAL | ACTUAL | GOAL | ACTUAL | GOAL | ACTUAL | GOAL | ACTUAL |
| 2018 | 13.0% | 20.3% | 4.0% | 8.5% | 6.0% | 5.7% | 3.0% | 5.2% |
| 2019 | 16.0% | 22.8% | 7.0% | 13.7% | 6.0% | 5.9% | 3.0% | 3.1% |
| 2020 | 20.9% | 27.1% | 10.4% | 13.7% | 7.0% | 7.5% | 3.5% | 5.9% |
| 2021 | 25.5% | 28.8% | 14.0% | 10.2% | 7.5% | 7.5% | 4.0% | 8.0% |
| 2022 | 27.0% | -- | 11.0% | -- | 8.0% | -- | 8.0% | -- |

Illinois American Water is currently in the fourth year of a 5 year-plan for growth with diverse suppliers. The continued focus on the development of annual goals and targets between the Illinois Supplier Diversity, Business Operations, State and National Procurement and National Supplier Diversity teams is a collaborative effort to support targets which reflect changing customer needs, market conditions and realistic project plans.

ACCESS

Providing suppliers with greater access to opportunities is also supported with internal communication and prime supplier outreach efforts to raise awareness and influence decision makers at every level. Additional efforts to work with Diverse Business Advocacy organizations is a focus of the Illinois Supplier Diversity team to continue to seek out potential suppliers which may be underrepresented in the current supplier base.

DEVELOPMENT

The Supplier Diversity Steering Committee formed in 2020 includes Senior leaders in Engineering, Operations, State Procurement, and Supplier Diversity focused on:

- + Developing for the long term targeting new opportunities
- + Delivering feedback on performance metrics
- + Increasing supplier capabilities
- + Promoting services to other American Water entities

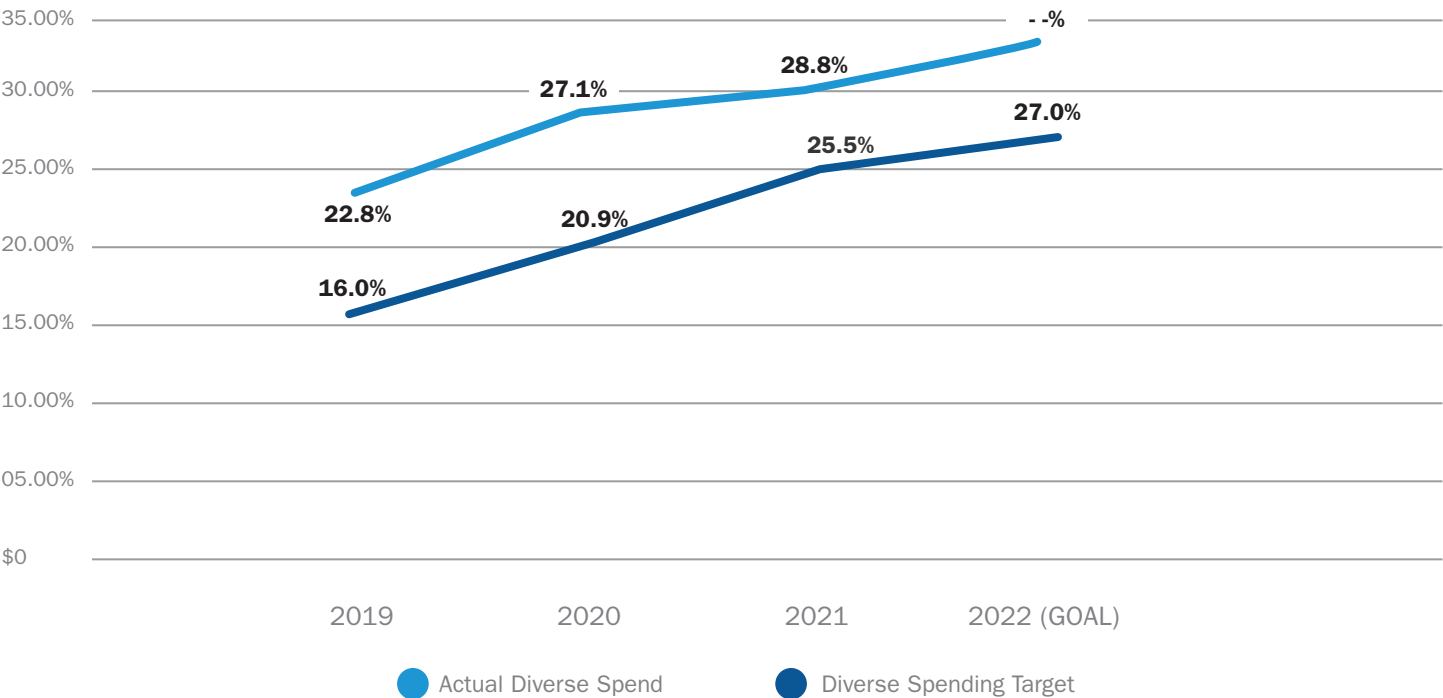
GROWTH

The strategy of increasing supplier participation at the Tier I level is still the highest priority of Illinois American Water. This is balanced with consolidation at the corporate service level for contracts that are utilized across multiple or all state entities. In many cases, diverse suppliers are given the opportunity to participate in a competitive-bidding process for these regional and enterprise-wide opportunities. An extension of this effort to increase Tier I spending is a focus of the 4th Annual Supplier Diversity Summit hosted by American Water at the corporate headquarters in Camden, NJ and through virtual platforms.

2022 diversity spending targets are based on changing market conditions due to the challenges within the supply chain, and restrained labor resources that may make it difficult for any supplier to maintain and exceed existing performance levels. Illinois American Water will monitor targets based on these factors with position to grow diverse spend while maintaining a level of sustainability for the supplier base. Exhibit B demonstrates the actual spend growth across all categories since 2019.

2021 AND 2022 GOALS

Exhibit B: Illinois American Water’s Diversity Percentage of Spend w/ Certified Suppliers



SUPPLIER DIVERSITY GOALS

- + Optimize business results by providing greater supplier spend visibility. The creation of a self-service analytics reporting tool that will provide a consolidated view of all supplier spend data on custom dashboards that will deliver valuable insights into business performance.
- + Communicate about the program and promote organic growth (internal champions) within Illinois American Water.
- + Encourage Illinois American Water and our suppliers, engineers and contractors to speak with one voice that diversity is part of American Water's business plan.
- + Attend Supplier Diversity National Advocacy Programs that support the Illinois American Water Diversity Program strategy.
- + Host and/or co-host supplier diversity workshops in local Illinois communities Host American Water's Leading Supplier Academy (LSA) workshops.
- + Pair best-in-class diverse suppliers with American Water key suppliers (national & local).
- + Support the goals and objectives of the Illinois Utilities Business Diversity Council.
- + Utilize and recognize certified diverse spend. (This includes diverse organizations certified through recognized certifying agencies such as the National Minority Supplier Development Council (NMSDC) or its affiliate regional councils, the Women's Business Enterprise National Council (WBENC) or its affiliate regional councils, the California Public Utility Commission (CPUC) Clearinghouse, or another similar local, state, or federal certifying body).

VII. AREAS OF PROCUREMENT FOR THE 2021 CALENDAR YEAR

Illinois American Water will be looking for providers in the following categories in 2022.



PROFESSIONAL SERVICES

- + Engineering
- + Legal
- + Material Testing
- + IT



OPERATIONS AND MAINTENANCE

CIVIL:

- + Earthwork and Grading
- + Paving
- + Fencing
- + Landscaping (Arborist)
- + Structural Concrete
- + Iron Work
- + Masonry
- + Facility Remodeling

MECHANICAL:

- + Mechanical:
- + Plumbing
- + HVAC
- + Process Mechanical
- + Electrical
- + Traffic Control
- + Filter Maintenance
- + Media Replacement
- + Waste (Residual) Disposal
- + Painting & Coatings
- + Steel Storage Tanks
- + Elevated Water Tank Build/Painting/Rehabilitation
- + Ground Tank Maintenance



SUPPLIERS

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



GENERAL

- + Specialty IT Equipment (e.g. instrumentation and office)
- + Janitorial Service
- + Pest Control Services
- + Safety Equipment
- + Temporary Utilities/Facilities

NATIONAL SUPPLIER DIVERSITY

WHAT AMERICAN WATER BUYS?

PRODUCTS

- + MRO/Integrated Supply (Maintenance, Repair, and Operations)
- + Air, Hand, and Machine Tools
- + Hardware
- + Filters
- + Storage Materials
- + Safety Materials
- + Fire Protection
- + Medical Equipment
- + Bearings, Bushings, Wheels and Gears
- + Gaskets, Seals, and Packing
- + Laboratory Equipment and Supplies
- + Soil, Stone, Sand
- + Uniforms and Clothing
- + Hydrants

INSTRUMENTATION AND CONTROLS

- + Pressure Gauges
- + Regulators
- + Sensors
- + Transmitters
- + Digital Controls (DCS and SCADA)
- + Control Valves
- + Analyzers/Monitors
- + Pressure Safety Valves
- + Instrument Spare Parts

ROTATING EQUIPMENT AND SPARE PARTS

- + Air Compressors and Parts
- + Pumps, Parts, and Accessories
- + Engineered Diesel and Nat Gas Engines
- + Electric Generators
- + Process Fans
- + Centrifuges
- + Rotating Equipment Spare Parts

UNDERGROUND INFRASTRUCTURE

- + Pipe, Flanges and Fittings
- + Valves
- + Valve Parts and Accessories

ELECTRICAL COMPONENTS, ACCESSORIES AND SUPPLIES

- + Instrument, Electrical Wire and Cable
- + Lamps, Light bulbs, and Components
- + Switch Gear Systems
- + Power Supply Transformers
- + Electric Motors
- + Switches
- + Relays

IT (HARDWARE, SOFTWARE, SERVICES)

- + PCs
- + Projectors
- + Printers
- + Photocopiers
- + Network
- + Telecom Supplies
- + IT/Electronics Miscellaneous
- + Software Programs
- + Satellite Communications

FACILITY MATERIALS

- + Cleaning and Janitorial
- + Furniture and Furnishings
- + Paper Supplies
- + Security Equipment
- + Office Supplies
- + Signs and Tags [Published Products]
- + Published Materials
- + Trailers
- + Kitchen Supplies

CHEMICALS, GASES, AND FLUIDS

- + Gases
- + Misc. Bulk Chemicals
- + Water Treatment
- + Paints, Primers, and Finishes
- + Fuels and Lubricants

FLEET AND FLEET PARTS

- + Standard Vehicles (Truck)
- + Light Fleet (Truck)
- + Light Vehicle Tires (Truck)
- + Contractor Fleet Rental (Truck)

- + Medium Duty Fleet (Work Trucks)
- + Fleet Maintenance
- + Fuel
- + Title and Registration Program
- + Fleet Violations
- + Accident Management
- + Fleet Data Management
- + Lease Vehicles

SERVICES

- + Utilities
- + Natural Gas
- + Electric
- + Water
- + Cable
- + Network Lines (T1)

MANINTENANCE SERVICES

- + General Contractors
- + Electrical Labor
- + PVF Maintenance and Repair
- + Carpenters
- + Pump Maintenance and Repair
- + Valve Cleaning and Refurbishment
- + Intrucmentation and Controls
- + Craft Laborers
- + Tank Repair Services
- + Insulators
- + Pipe liner Installation

SUPPORT SERVICES AND RENTALS

- + Crane Rental
- + Vac/pot holing Truck Rental
- + Tank Services
- + Painting / Sandblasting
- + Trailers and Mobile Office
- + Off Site Warehousing
- + Chemical Delivery
- + Pump rental
- + Shoring rental
- + Industrial Vehicle Repair and Rental
- + Light Civil Construction
- + External Lab Services
- + General Rental Items
- + Generator Rentals
- + Tool Rental
- + Equipment Operators

PROFESSIONAL SERVICES

- + Corporate Consulting
- + Training
- + Legal Services (Regulatory Experience)
- + HR
- + Financial Serives
- + Insurance
- + Admin Services/Staff Augmentation
- + Tax Services (Property Tax and filing)
- + Marketing
- + Benefits
- + Temporary Labor
- + Auditing Services
- + Relocation Services
- + Field Contract Coordinator
- + Real Estate Advisory Services

FACILITY SERVICES

- + Security and Surveillance
- + Pest Control
- + Exterior Window Cleaning (5 Stories)
- + Facility Building Repair and Maintenance
- + Janitorial
- + Other Unspecified Facilites Services
- + Roofing Services
- + Furniture Liquidation
- + Telecom Services (Office and Remote)
- + IT Support
- + Elevator Maintenance
- + Bottled Water Service
- + Building Lease
- + HVAC Services

CONSTRUCTION SERVICES

- + Construction Contractors
- + Construction/Mech Paving and Concrete Labor
- + Surveyors
- + Construction Consultants
- + Mechanical Contruccion
- + On-site Tank Construction
- + Horizontal directional drilling
- + Paving & Restoring

VIII. CHALLENGES & OPPORTUNITIES



Diverse business owners have shown great agility over the past year to sustain their businesses. A recent Bank of America found that “48% of Black business owners retooled their operations to address the impact of the coronavirus — double that of the national average.” And they remain optimistic, with nearly half saying they expect revenue to increase in 2022 .

Amid the post-pandemic optimism Illinois American Water continues to face many fundamental business challenges in finding diverse suppliers such as:

- + Acquisition of capital to enter the utility market, or to scale business for growth
- + Limited experience in water industry
- + Union workforce requirements
- + Density and geography of projects; complexity to leverage workforce efficiency

Illinois American water is actively developing strategies within the state and corporate supply chain to integrate diverse suppliers into more competitive bid events in areas of low diverse utilization and corporate contracts that service the regional and national footprint. Successful Illinois diverse suppliers have been invited to participate in the American Water Pure Momentum – 4th Annual Supplier Diversity Summit to compete for Tier I opportunities and to meet with non-diverse prime suppliers to relationships for Tier II opportunities.

2022 marks the first year that American Water has instituted specific Supplier Diversity targets tied to employee compensation for corporate services utilized within each American Water state entity. Coupled with continuous awareness training to support internal business decision makers understanding supplier diversity goals and their accountability to meet these goals.



IX. CERTIFICATIONS ACCEPTED

American Water Recognized Certification Agencies

SBA SMALL BUSINESS ADMINISTRATION

Certification: Small Business. Small Women Owned Business

Supplier Processing Fee: No fee vendor

Certification Period: Annually Washington, DC. 20416



409 3rd Street, NW



800-659-2955



Website: [Sba.gov](https://www.sba.gov)

SERVICE DISABLED VETERAN OWNED BUSINESS ENTERPRISES DEPARTMENT OF VETERANS AFFAIRS' VETBIZ REGISTRY

Certification: Disabled Veteran Business certifications

Supplier Processing Fee: No fee to vendor

Certification Period: 3 years



866-584-2344



202-303-3260



Website: www.vetbiz.gov

DEPARTMENT OF GENERAL SERVICES, PROCUREMENT DIVISION, OFFICE OF SMALL BUSINESS AND DVBE SERVICES (OSDS)

Type of certification: For Washington-based Disabled Veteran Business certifications

Supplier Processing Fee: No fee to vendor

Validation Period: 3 years



1102 Quince St SE
Olympia, WA 98504-1155



1-800-562-0132 option '1'

STATE OF WASHINGTON DEPARTMENT OF VETERAN AFFAIRS

Type of certification: For Washington-based Disabled Veteran Business certifications

Supplier Processing Fee: No fee to vendor

Validation Period: 3 years

Website: www.dva.wa.gov/BusinessRegistry/default.aspx



1102 Quince St SE
PO Box 44150
Olympia, WA 98504-1150



1-800-562-2308


For Diverse Business Enterprises


CA PUBLIC UTILITY’S “SUPPLIER CLEARINGHOUSE”

Certification Type: Minority and Women owned business certifications

Supplier Processing Fee: No fee to vendor

Validation Period: 3 years.
Vendors who are already certified by the NMSDC and/or WBENC will have a shortened Comparable Agency Verification filing process.

 606 S. Olive Street,
Suite 1120
Los Angeles, CA 90014


 1- 800-359-7998


NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL (NMSDC) – AND ALL OF ITS AFFILIATED REGIONAL COUNCILS

Certification Type: Minority-owned business certifications-regional/national

Supplier Processing Fee: Fee to vendor

Validation Period: 1 year

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


 212-944-2430


 Website: www.nmsdcus.org

WOMEN’S BUSINESS ENTERPRISE NATIONAL COUNCIL (WBENC) – INCLUDING IT’S REGIONAL PARTNER ORGANIZATIONS

Certification Type: Women-owned business certifications
Supplier Processing Fee: Fee to vendor

Validation Period: 1 year

 1120 Connecticut Ave NW,
Suite 950
Washington, D.C. 20036

 202-872-5515

 Website: www.wbenc.org

American Water Recognized Certification Agencies

NATIONAL LGBT CHAMBER OF COMMERCE (NGLCC)

Certification Type: Lesbian, gay, bisexual, and transgender-owned businesses (Certified LGBTBE)

Supplier Processing Fee: \$400, **Recertification fee:** \$200

Certification Period: 1 year, annual recertification



1331 F. Street Suite 950
Washington, D.C. 20004



202-234-9181



Website: www.nglcc.org/

Illinois American Water Recognized Certification Agencies

ILLINOIS DEPARTMENT OF CENTRAL MANAGEMENT SERVICES (CMS)

100 W Randolph St. Chicago, IL 60601

Phone: 312-814-4190

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

ILLINOIS DEPARTMENT OF TRANSPORTATION

Bureau of Small Business Enterprises

2300 South Dirksen Parkway, Room 319 Springfield, IL 62764

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

COOK COUNTY

Office of Contract Compliance Diversity Management System

118 N, Clark Street Room 1020 Chicago, IL 60602

Phone: 312-603-5502

Website: cookcounty.diversitycompliance.com/FrontEnd/StartCertification.asp

CITY OF CHICAGO

Procurement Services | Certification and Contract Compliance

121 North LaSalle St. #403 Chicago, IL 60602

Phone: 312-744-4900

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

MID-STATES MSDC

Mid-States Minority Supplier Development Council

505 N. 7th Street – Suite 1820 (US Bank Plaza)

Phone: 312-278-5616 | **Email:** info@midstatesmsdc.org

Certification Application: midstatesmsdc.org/mbe-certification/certification-application

CHICAGO MSDC

Chicago Minority Supplier Development Council / 2126 North Meridian Street

105 W. Adams Street – Suite 2300 Chicago, IL 60603

Phone: 312-755-8880 | **Email:** info@chicagomsdc.org

Certification Application: chicagomsdc.org/certification/process

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

LGBT CHAMBER OF COMMERCE OF ILLINOIS

Affiliate Chamber of the NGLCC

3179 N Clark St 2nd floor, Chicago, IL 60657

Phone: (773) 303-0167

Website: <http://lgbtcc.com/> | **Website:** <http://lgbtcc.com/lgbt-certification/>

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

Missouri American Water Recognized Certification Agencies

CITY OF ST. LOUIS

Office of Diversity and Inclusion

1200 Market, City Hall Rm 200 St. Louis, MO 63103

314-622-4068

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

MISSOURI DEPARTMENT OF TRANSPORTATION

Equal Opportunity and Diversity Division

830 MoDOT Drive P.O. Box 270 Jefferson City, MO 65102

Phone: 573-526-5611

Fax: 573-526-5918

Email: equalopportunity@modot.mo.gov

X. POINTS OF CONTACT



EXECUTIVE OFFICER

Justin Ladner
President

Illinois American Water



300 North Water Works Drive
Belleville, IL 62223



618-239-2207



ilaw.president@amwater.com



PROGRAM DIRECTOR OF SUPPLIER DIVERSITY AND COMMUNITY OUTREACH

Jennifer Morrison
Illinois Corporate Diversity Lead

Illinois American Water



1000 International Parkway,
Woodridge, IL 60517



630-739-8801



il.supplierdiversity@amwater.com



ADMINISTRATION

Taiiko Ballard
Illinois Diverse Business Specialist

Illinois American Water



300 North Water Works Drive
Belleville, IL 62223



618-239-2210



taiiko.ballard@amwater.com

XI. SUPPLIER SUCCESS STORIES



AIRY'S, INC.

(VETERAN OWNED BUSINESS ENTERPRISE)

WWW.AIRYS.COM

[708-429-0660](tel:708-429-0660)

Airy's, Inc. is a family-run Service-Disabled Veteran-Owned Business located in Joliet, IL. Owned and operated by Air Force Veteran Ryan Hill, Airy's takes pride in completing work in a timely, cost-effective way while incorporating the Air Force core values of "integrity first, service before self, and excellence in all we do" into each and every project.

With a focus on safety and experience spanning over 57 years, Airy's, Inc. is a full-service contractor with expertise in all aspects of underground construction. Illinois American Water's relationship with Airy's began in the late 1990s. When the partnership began, Airy's was focused on installing new water services to support the expansion of Illinois American Water's footprint in the Chicago Metro District. As Illinois American Water's systems have matured, Airy's has expanded their services to include 24/7 on-call services for emergency water main break repairs. Airy's also provides a variety of support services needed for successful completion of water system and maintenance upgrades such as directional drilling, sewer televising, hydro excavation, building, and maintenance of major water pump stations.

In 2021, Airy's was the prime contractor for 10 water main replacement projects in Prospect Heights, Mount Prospect, DuPage County, and Des Plaines. Airy's installed an estimated 22,600 linear feet of new water main to replace aging water main systems. Airy's also took part in two sewer main projects in Mount Prospect, replacing 1,300 feet of force main and 3,000 feet of gravity sewer.

"Sharing in Illinois American Water's mission of delivering safe, clean, and reliable water and wastewater services to their customers, Airy's, Inc. is proud to partner with Illinois American Water on a variety of projects today and in the years to come. Rooted in mutual trust and the belief that each project should be executed with efficiency and completed to the highest possible standard; we have enjoyed working closely together across Chicagoland for over 30 years."

RYAN E. HILL

President
Airy's Inc.



SUPPLIED INDUSTRIAL SOLUTIONS

(MINORITY, VETERAN OWNED BUSINESS ENTERPRISE)

WWW.SUPPLIEDINDUSTRIAL.COM

[618-452-8151](tel:618-452-8151)

Supplied Industrial Solutions, Inc. started in 2003. Starting off as an industrial distributor of pipe, valve and fittings, we have evolved into a full-service contractor that specializes in commercial, industrial and municipal markets. The company's expertise includes general contracting and a self-performing arm consisting of both plumbing and mechanical scopes of work.

Supplied Industrial Solution's relationship with Illinois American Water spans across several years. Up until the pandemic, Supplied Industrial Solutions provided pipe directly to Illinois American Water and indirectly to contractors working on their projects.

In 2021, Illinois American Water began partnering with Supplied Industrial Solutions for bulk pipe orders. The pandemic caused more emphasis to be put on delivery as supply chain shortages of various materials adversely affected pipe manufacturers. To assist with these issues, the company worked closely with Illinois American Water and their supplier to forecast future procurement requirements and provide the logistics to store and deliver pipe. The benefit of stockpiling pipe with Supplied Industrial Solutions allows Illinois American Water to estimate pipe size and quantities long before the pipe is needed. In return, the company has committed to bulk purchase pipe.

The partnership between Illinois American Water and Supplied Industrial Solutions is a two-fold success, as ILAW has more control over the piping requirements. Supplied Industrial Solutions continues to service these requirements and grow capacity and enhanced capabilities, strengthening the partnership.

In 2019, Supplied Industrial Solutions and Goodwin Brothers Construction developed a formal mentor/protege partnership that was approved by the Small Business Administration. Since then, Supplied Industrial Solutions has worked with Goodwin as a strategic partner, and they have been instrumental in assisting Supplied Industrial Solutions in developing estimates and utilizing Goodwin's management team's expertise to assist with growth strategies. The partnership between Goodwin and Supplied Industrial Solutions has resulted in several projects with Missouri American Water as well. They will compete for projects for Illinois American Water in 2022.

"We are appreciative of Illinois American Water's commitment and intentions to promote diversity and partner with companies like SIS, Inc. Service, quality and delivery are key benchmarks to growing our relationship."

STEPHEN BROCK

CEO

Supplied Industrial Solutions, Inc



KAMADULSKI EXCAVATING & GRADING CO. INC.

(VETERAN OWNED BUSINESS ENTERPRISE))

WWW.KAMADULSKIEXCAVATING.COM

618-931-3760

KAMADULSKI has become an industry leader in the St. Louis Metro East in excavating and grading services. The company continues to expand into new sectors, including commercial warehouse infrastructure, environmental landfill cell construction, Federal USACE projects, heavy highway, large scale transmission water and sewer mains, for industrial, mechanical, and residential subdivisions.

The partnership between Illinois American Water and Kamadulski has been mutually beneficial from the beginning. In 2020, Kamadulski began working on several small wastewater replacement projects in Illinois American Water's Southern District. These small projects ultimately led to Kamadulski bidding on and being awarded the largest of three sewer separation projects in Alton, IL. This complex wastewater project valued at over \$11 million consists of installing approximately five miles of sanitary sewer main through Alton to intercept existing sewers that flow to the Piasa Tunnel. The project also involves separating the sanitary sewer system from the storm water system. Additionally, this project addresses sanitary sewer overflows and will meet the requirements set forth by the Illinois Environmental Protection Agency. Kamadulski also provides wastewater maintenance in Illinois American Water's Southern and Central Divisions.

Over the past year, Kamadulski has received Veteran Owned Business Status through The National Veteran Business Development Council. This has given Kamadulski the opportunity to grow with Illinois American Water as we continue to expand and improve the water and sewer infrastructure throughout the communities we serve.

Mark Crays said, "We can't say enough about the engineering and management teams we deal with on a day-to-day basis, from levels of management and all field personnel. Strong values of hard work and lasting relationships continue to define our culture. We work together as a team, supporting and encouraging each other. We have created an environment that values success in terms of relationships and results."

"Our mission is to offer customers a quality experience and our staff an outstanding place to work. Illinois American Water and Kamadulski share the same values, from customer care to the safety of our employees. We look forward to continuing to build on the strong working relationship we have developed."

MARK M. CRAYS

President

Kamadulski Excavating & Grading co., inc.

XII. ILLINOIS COMMERCE COMMISSION WEBSITE

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

Section 5-117 reports are due annually on April 15, beginning in 2015. Section 5-117 also requires the ICC and participating utilities to hold an Annual Policy Meeting that is open to the public on the subject of supplier diversity. The policy meeting will follow submission of the reports on April 15. For more information on Illinois American Water's Annual Supplier Diversity Reports, please visit the ICC Supplier Diversity web page at www.icc.illinois.gov/filings/mwvs.



XIII. UNIFORM APPENDIX

Illinois American Water (Tier I and Tier II)

| CATEGORY | PRO SERVICES (Y/N) | AFRICAN AMERICAN | | ASIAN | | HISPANIC | | NATIVE AMERICAN | | VETERAN | SDB | TOTAL DIVERSE SPEND (EXCLUDES SMALL) | SMALL BUSINESS | *TOTAL SPEND (SMALL + DIVERSE)* | TOTAL NON-DIVERSE PRIME | TOTAL SPEND |
|-----------------------------|--------------------|------------------|-------------|-------------|---------|-------------|-------|-----------------|-------|-------------|--------------|--------------------------------------|----------------|---------------------------------|-------------------------|--------------|
| | | MEN | WOMEN | MEN | WOMEN | MEN | WOMEN | MEN | WOMEN | | | | | | | |
| 1222: BIT COAL MINING | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,200 | \$0 | \$2,200 | \$1,566,124 | \$1,568,324 |
| 1499: MISC NONMETL MINING | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$161,614 | \$161,614 | \$70,989 | \$185,070 |
| 1520: BLDG CONTRARES BLDG | N | \$0 | \$126,771 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$126,771 | \$0 | \$126,771 | \$754,181 | \$880,952 |
| 1521: SINGLE FAM HSING CONS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,446,205 | \$2,446,205 | \$30,822,587 | \$33,268,792 |
| 1522: RES CONSTRUCT, NEC | N | \$233,391 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,985,825 | \$0 | \$2,219,216 | \$0 | \$2,219,216 | \$5,085,678 | \$7,071,503 |
| 1542: NONRES CONSTR, NEC | N | \$28,680 | \$0 | \$0 | \$0 | \$8,000 | \$0 | \$0 | \$0 | \$55,201 | \$14,930 | \$106,811 | \$0 | \$106,811 | \$258,458 | \$287,138 |
| 1600: HEAVY CONST,NOT BLDG | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,528,679 | \$12,893,973 | \$0\$15,422,652 | \$5,173 | \$15,427,825 | \$6,031,799 | \$21,343,614 |
| 1611: HWY & STREET CONST | N | \$1,154,246 | \$4,776 | \$0 | \$0 | \$1,000,979 | \$0 | \$0 | \$0 | \$65,936 | \$0 | \$84,581 | \$2,310,518 | \$215,637 | \$2,526,155 | \$9,045 |
| 1623: WAT, SEW&UTIL LINES | N | \$428 | \$944 | \$0 | \$2,120 | \$0 | \$0 | \$0 | \$0 | \$1,078,211 | \$1,210,223 | \$3,963,757 | \$6,255,683 | \$10,867,009 | \$17,122,692 | \$7,602,216 |
| 1629: HEAVY CONSTRUCT, NEC | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,904 | \$246,680 |
| 1700: CONST,SPEC TRD CONTR | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,829 | \$0 | \$1,829 | \$0 | \$1,829 | \$19,289 | \$21,117 |
| 1711: PLUMBING HVAC | N | \$1,596,391 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$70,878 | \$3,186 | \$293,777 | \$1,964,232 | \$7,707,662 | \$9,671,895 | \$1,153,675 |
| 1721: PAINTING & PAPER HANG | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$61,931 | \$732,321 | \$794,252 | \$76,286 | \$870,538 |
| 1731: ELECTRICAL WORK | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,687,088 | \$0 | \$0 | \$1,687,088 | \$660,692 | \$2,347,780 | \$4,024,434 |
| 1761: ROOF, SIDE, SHEETML | N | \$220,427 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$82,735 | \$0 | \$0 | \$303,162 | \$0 | \$305,900 | \$2,738 |
| 1771: CONCRETE WORK | N | \$111,425 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,680,768 | \$0 | \$2,376 | \$1,794,569 | \$3,402,889 | \$372,637 | \$2,921,083 |
| 1781: WATER WELL DRILLING | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$739 | \$0 | \$739 | \$366,304 | \$367,043 | \$0 | \$366,304 |
| 1794: EXCAVATION WORK | N | \$3,300 | \$0 | \$1,781,364 | \$0 | \$36,450 | \$0 | \$0 | \$0 | \$194,562 | \$3,090,553 | \$5,400 | \$5,111,629 | \$11,856,707 | \$269,142 | \$10,098,167 |
| 1799: SPEC TRADE CNTRCTORS | N | \$1,939,961 | \$1,066,571 | \$0 | \$0 | \$236,793 | \$0 | \$0 | \$0 | \$99,739 | \$66,579 | \$94,924 | \$3,504,567 | \$2,715,111 | \$6,219,678 | \$12,649,946 |
| 2389: APPAREL & ACCESSORIE | N | \$32,163 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$505 | \$0 | \$0 | \$32,668 | \$0 | \$92,986 | \$125,149 |
| 2800: CHEM&ALLIED PRODUCTS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$43,832 | \$0 | \$0 | \$43,832 | \$0 | \$2,355,576 | \$2,399,408 |
| 2819: IND INORGAN CHEMICLS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$172,923 | \$0 | \$0 | \$172,923 | \$0 | \$172,923 | \$1,453,056 |
| 2836: BIOLOGICAL PRODUCTS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,526 | \$17,526 | \$86,041 | \$103,567 |
| 2840: CLEAN PREPERFUM,CO | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$886 | \$0 | \$96,160 | \$97,046 | \$0 | \$96,160 |
| 2899: CHEMICAL PREPS | N | \$62 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100 | \$0 | \$162 | \$182,301 | \$182,463 | \$226,023 | \$408,324 |
| 2951: ASPHALT PAVING MIX | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$29,656 | \$29,656 |
| 3069: FABRIC RUBBER PRODS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,082 | \$10,082 | \$0 | \$10,082 |
| 3272: CONCRETE PRODUCTS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$44,414 | \$44,414 |
| 3321: GRAY&DUCT IRON FOUND | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$182,630 | \$0 | \$0 | \$182,630 | \$0 | \$9,210 | \$191,839 |
| 3441: FABRIC STRCT METAL | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,444 | \$0 | \$0 | \$3,529 | \$6,973 | \$262,008 | \$262,646 |
| 3490: MISC FAB METAL PROD | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$920,628 | \$920,628 |
| 3494: VALVES&PIPE FITTINGS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$373,749 | \$373,749 |
| 3499: FABRIC METAL PRODUCTS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$23,135 | \$23,135 |
| 3561: PUMPS AND PUMP EQUIP | N | \$108,976 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$439 | \$0 | \$0 | \$109,415 | \$69,871 | \$179,286 | \$1,234,921 |
| 3569: GEN INDUST MACHINERY | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$225,110 | \$225,110 |
| 3571: ELECTRONIC COMPUTERS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$422 | \$422 | \$0 | \$422 |
| 3589: SERVICE IND MACHINRY | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$32,477 | \$32,477 | \$1,681,483 | \$1,713,961 |
| 3599: INDUSTRIAL MACHINERY | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$586,097 | \$586,097 |
| 3625: RELAY & IND CONTROLS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,402 | \$0 | \$0 | \$24,402 | \$0 | \$21,331 | \$44,371 |
| 3799: TRANSPORT EQUIPMENT | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$8,782 | \$0 | \$0 | \$8,782 | \$0 | \$477,726 | \$486,508 |
| 3812: SEARCH & NAV EQUIP | N | \$1,842,305 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,842,305 | \$6,686 | \$1,848,991 | \$926 | \$7,612 |
| 3823: PROCESS CONTRL INSTS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$598,017 | \$598,017 |
| 3824: FLUID/WATER METERS | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,001,831 | \$2,001,831 | \$21,945 | \$2,023,775 | \$9,243 | \$2,033,018 |
| 3829: MEAS&CONTRL DEVICES | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$58 | \$58 | \$104,131 | \$104,189 | \$484,838 | \$588,969 |
| 3999: MANUFACT INDUSTRIES | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$102,637 | \$360 | \$102,997 | \$584 | \$103,581 | \$340,268 | \$389,964 |
| 4212: LOCAL TRUCKING | N | \$508,780 | \$0 | \$0 | \$0 | \$4,140 | \$0 | \$0 | \$0 | \$126,394 | \$0 | \$0 | \$207,091 | \$846,405 | \$33,058 | \$223,824 |
| 4214: TRUCKING STORAGE | N | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,664 | \$4,664 | \$743 | \$5,407 |

[illegible]

XIV. OTHER APPENDICES

Appendix A



AMERICAN WATER SUPPLIER DIVERSITY SUBCONTRACTING PLAN

Required for submission with all responses to Requests for Proposals, quarterly reports and with final payment application (with actuals). Tier 1 prime suppliers are required to submit quarterly Tier 2 diversity spend reporting is required through the Supplier Diversity Portal found at <https://amwater.diversitycompliance.com>.

COMPANY OVERVIEW

| | |
|---|--|
| Prime Supplier Business Name: | |
| Corporate Address: | |
| City, State, Zip: | |
| Prime Supplier Contact Person's Name: | |
| Email Address: | |
| Phone Number <input type="checkbox"/> Office <input type="checkbox"/> Mobile: | |

Supplier Diversity Business Classifications: "Certified" means currently certified by an authorized certifying body. "Owned" means at least 51% minority-owned operated and controlled. The company must be a profit enterprise and physically located in the U.S. or its trust territories.

| | | |
|---|---|-----------------------------|
| Is your business a certified diverse supplier? If yes, please provide copy of certification(s) with your bid response. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Minority Business Enterprise (MBE) | <input type="checkbox"/> Other Disadvantaged Business | |
| <input type="checkbox"/> MBE-AF - Minority Owned Business African American <input type="checkbox"/> MBE-AP - Minority Owned Business Asian Pacific <input type="checkbox"/> MBE-H - Minority Owned Business Hispanic <input type="checkbox"/> MBE-NA - Minority Owned Business Native American | <input type="checkbox"/> DBE - Disable Owned Business <input type="checkbox"/> HUB - Historically Underutilized Business <input type="checkbox"/> LGBTQ - Lesbian, Gay, Bisexual, Transgender | |
| <input type="checkbox"/> Veteran Business Enterprise (VBE) | <input type="checkbox"/> Women Business Enterprise (WBE) | |
| <input type="checkbox"/> SDVBE - Service-disabled Veteran Owned Business | | |

BID / PROJECT SUBMISSION

Please describe the goods and or services being provided by your company:

| | | | |
|--|--|---|--|
| Total Contract Value (\$): | | Total Subcontracted (\$): | |
| American Water Regulated State Operations: | | Projected spend with the following diversity classes: | |
| | | Minority Business Enterprise (MBEs) \$ | |
| | | Veteran Business Enterprise (VBEs) \$ | |
| | | Woman Business Enterprise (WBEs) \$ | |
| | | Other Disadvantaged Business (DBE) \$ | |

DETAILED SUBCONTRACTING PLAN

Detailed plan for use of M/W/VBEs and other disadvantaged businesses as subcontractors, distributors, value added resellers are counted towards your contractual supplier diversity goal. Small business spend is tracked but not counted towards the diversity spend goal. **For every product and service, you intend to use, provide the following information (attach additional sheets if necessary)**

| Company Name | Classification (MBE/WBE/VBE/LGBT/ SMB) | Principal Owner Gender (M/F) | Certification Agency | Certification Expiration | Products or Services to be provided | Estimated Amount of Spend (\$): |
|----------------|--|------------------------------------|-------------------------|-----------------------------|---|---------------------------------------|
| ABC Example Co | MBE | M | NMSDC | 05/2025 | Excavation | \$150,000 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Appendix B

SIC Codes & Definitions for Diversity Spend Breakout Tables

| CONSTRUCTION | | | | | |
|---------------------------------|--------------------------------|------|------------------------------|------|----------------------------|
| 782 | LAWN & GARDEN SERV | 1700 | CONST, SPEC TRD CONTR | 3272 | CONCRETE PRODUCTS |
| 783 | SHRUB & TREE SERVCS | 1711 | PLUMBING HVAC | 3625 | RELAY & IND CONTROLS |
| 1222 | BIT COAL MINING | 1731 | ELECTRICAL WORK | 3799 | TRANSPORT EQUIPMENT |
| 1499 | MISC NONMETAL MINING | 1761 | ROOF, SIDE, SHEETMETAL | 3999 | MANUFACT INDUSTRIES |
| 1520 | BLDG CONTRA-RES BLDG | 1771 | CONCRETE WORK | 4700 | TRANSPORT SERVICES |
| 1521 | SNGLE FAM HSING CONS | 1781 | WATER WELL DRILLING | 4950 | SANITARY SERVICES |
| 1542 | NONRES CONSTR, NEC | 1794 | EXCAVATION WORK | 5033 | ROOF, SIDE, INSL |
| 1522 | RES CONSTRUCT, NEC | 1799 | SPECIALITY TRADE CONTRACTORS | 5039 | CONSTRUCT MATERIALS |
| 1600 | HEAVY CONST, NOT BLDG | 2799 | TRANSPORT EQUIPMENT | 5063 | ELEC APPARATUS EQUIP |
| 1611 | HIGHWAY & STREET CONST | 2951 | ASPHALT PAVING MIX | 5082 | CONSTRUCT & MINING |
| 1623 | WAT, SEW & UTIL LINES | | | | |
| CORPORATE SERVICES | | | | | |
| 2893 | APPAREL & ACCESSORIES | 5961 | CATALOG MAIL ORDERS | 8322 | IND & FAMILY SERVICE |
| 4724 | TRAVEL AGENCIES | 6399 | INSURANCE CARRIERS | 8621 | PROFESSIONAL ORGS |
| 4899 | COMM SERVICES | 6500 | REAL ESTATE | 8731 | COMMERICAL PHYSICAL |
| 5044 | OFFICE EQUIPMENT | 6531 | REAL ESTATE AGENTS | 8748 | BUISNESS CONSULTATION, NEC |
| 5199 | NON DURABLE GOODS | 8049 | HEALTH PRACTITIONER | | |
| 5812 | EATING PLACES (CATERERS) | 8299 | SCHOOLS & EDUCATION SERVICES | | |
| CHEMICALS | | | | | |
| 2800 | CHEM & ALLIED PRODUCTS | 2836 | BIOLDOGICAL PRODUCTS | 2899 | CHEMICAL PREPS |
| 2819 | INDUSTRIAL INORGANIC CHEMICALS | 2840 | CLEAN PREP, PERFUMES, CO | 5169 | CHEMICAL PRODUCTS |
| DIRECT MATRIALS / ENERGY | | | | | |
| 1711 | PLUMBING HVAC | 3321 | GRAY & DUCT IRON FOUND | 5113 | IND & PERSONAL PAPER |
| 1721 | PAINTNG & PAPER HANG | 3441 | FABRIC STRCT METAL | 3490 | MISC FAB METAL PROD |
| 2992 | LUBRICATING OIL & GREASE | | | | |
| FACILITY SERVICES & MAINTENANCE | | | | | |
| 3561 | PUMPS AND PUMP EQUIP | 5099 | DURABLE GOODS, NEC | 7699 | REPAIR SERVICES, NEC |
| 3999 | MANUFACT INDUSTRIES | 7349 | BLDG MAINT SERVICES | 8999 | SERVICES, NEC |
| 5084 | IND MACH & EQUIP | | | | |

SIC Codes & Definitions for Diversity Spend Breakout Tables

| FLEET | | | | | |
|---|-----------------------------|------|----------------------|------|------------------------|
| 4212 | LOCAL TRUCKING | 4215 | GROUND COURIER SERV | 5599 | AUTOMOTIVE DEALERS |
| 4214 | TRUCKING STORAGE | 5171 | PETRO BULK STATIONS | | |
| INSTRUMENTATION AND CONTROLS | | | | | |
| 3625 | RELAY & IND CONTROLS | 3824 | FLUID/WATER METERS | 5084 | IND MACH & EQUIP |
| 3812 | SEARCH & NAV EQUIP | 5065 | ELEC PARTS & EQUIP | 5162 | PLASTICS MATERIALS |
| 3823 | PROCESS CONTRL INSTS | | | | |
| LABORATORY/SAFETY SERVICES | | | | | |
| 1799 | SPECIALTY TRADE CONTRACTORS | 3069 | FABRIC RUBBER PRODS | 5049 | PROFESSIONAL EQUIPMENT |
| MAINTENANCE, REPAIR AND OPERATING SUPPLIERS (MRO) | | | | | |
| 3829 | MEAS & CONTRL DEVICES | 5063 | ELEC APPARATUS EQUIP | 5399 | MISC GEN MERCHANDISE |
| 4226 | SPEC WAREHSE STRGE | 5082 | CONSTRUCT & MINING | 5162 | PLASTICS MATERIALS |
| 4953 | REFUSE SYSTEMS | 5087 | SERV ESTBLSH EQUIP | 7349 | BLDG MAINT SERVICES |
| 5047 | MED & HOS EQUIP | 5099 | DURABLE GOODS, NEC | | |
| MAJOR EQUIPMENT / METERING | | | | | |
| 3569 | GEN INDUST MACHINERY | 3599 | INDUSTRIAL MACHINERY | 5084 | IND MACH & EQUIP |
| 3585 | SERVICE IND MACHINRY | 3829 | MEAS&CONTRL DEVICES | 5085 | INDUSTRIAL SUPPLIES |
| PROFESSIONAL SERVICES | | | | | |
| 7311 | ADVERTISING AGENCIES | 7374 | DATA PROC & PREP | 8711 | ENGINEERING SERVICES |
| 7319 | ADVERTISING, NEC | 7382 | SECURITY SYS SERVICE | 8712 | ARCHITECTURAL SERVCS |
| 7361 | EMPLOYMENT AGENCIES | 8111 | LEGAL SERVICES | 8713 | SURVEYING SERVICES |
| RENTALS (EQUIPMENT) | | | | | |
| 7359 | EQUIPMENT RENT/LEASE | 7513 | TRUCK RENTAL/LEASING | | |
| TECHNOLOGY | | | | | |
| 3571 | ELECTRONIC COMPUTERS | 5045 | COMPUTERS & SOFTWARE | 7389 | BUSINESS SERVICES |

SUPPLIER DIVERSITY REPORTING

1. SUPPLIER COMMITMENT

- 1.1 The Company (hereinafter “Seller”) agrees to provide opportunities for suppliers identified and Certified as a Minority, Woman, Service-Disabled Veteran, Veterans, SBA, or BA, - owned and controlled Business Enterprises (hereinafter “MWDVBE”), in accordance, at a minimum, with the terms and conditions of this Exhibit.
- 1.2 Parties agree increasing spend with diverse suppliers is a good business practice and agree to apply best efforts in achieving 25.0% of the third-party procurement spending related, directly or indirectly to this Agreement, with 10.0% consisting of MBE spend. Parties will meet on a quarterly basis to discuss performance to the goal and opportunities to improve inclusion of diverse suppliers in future sourcing opportunities related to this agreement. Sellers performance to this goal will not constitute breach of this Agreement, however may result in loss of future business from American Water Works Inc.
- 1.3 In addition, if the scope of this Contract includes the provision of products or performance of services for or in conjunction with an American Water Works, Inc. federal government agreement, the then current Federal Acquisition Regulations (“FAR”) requirements regarding MWDVBE subcontracting and reporting shall also apply.
- 1.4 In the event that a change in ownership results in a change of Supplier or subcontractor’s status as a Certified MWDVB E, Supplier shall notify American Water Works, Inc. in writing within thirty (30) days of such change.
- 1.5 In cases where the Owner’s goal is not met, Contractor shall provide documentation of his reasonable effort made in order to meet said goal. Owner has the right to reject Bidder’s Bid proposal, in the event that the goal is not met and this documentation of reasonable effort is not sufficient.

2. DEFINITIONS FOR THIS EXHIBIT

- 2.1 “Certified” means currently certified as MWDVBE by an authorized certifying body, such as the National Minority Supplier Development Council (NMSDC) or its affiliate regional councils, the Women’s Business Enterprise National Council (WBENC) or its affiliate regional councils, the California Public Utility Commission (CPUC) Clearinghouse, or other similar local, state, or federal certifying body.
- 2.2 “Control” means overall fiscal/legal responsibility and exercising the power to make policy decisions.
- 2.3 “Owned” means at least fifty-one percent (51.0%) of the business or, in the case of a publicly owned business, at least fifty-one percent (51.0%) of the stock is owned by a minority, woman or service-disabled veteran.
- 2.4 “Minority-owned Business Enterprise (MBE)” means business concern in which at least fifty-one percent (51.0%) of the ownership and control is held by individuals who are members of a minority group and of which at least fifty-one percent (51.0%) of the net profits accrue to members of a minority group. Such persons include, but are not limited to, Black Americans, Hispanic Americans, Asian Pacific Americans (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the former U.S. Trust Territory of the Pacific Islands (Republic of Palau, the Commonwealth of the Northern Mariana Islands, Republic of the Marshall Islands, Federated States of Micronesia) Laos, Cambodia (Kampuchea), Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru); Subcontinent Asian Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal); Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians); and members of other groups designated by the U. S. Small Business Administration as minorities. reporting.

Appendix D

I&D GRANT RECIPIENTS

Illinois American Water provided \$17,550 to support community programs through the company's Inclusion & Diversity Grant program. The program provided financial assistance to organizations seeking to develop and implement programs, training and/or community-related projects that aim to promote and foster inclusion and diversity in the community.

It Takes a Village located in Peoria received a \$1,500 grant to expand their efforts of providing resources to students at Manual High School in Peoria. The expansion of their program will provide socks, hats and gloves to students. The group currently provides toiletries, school supplies and food. This effort is in collaboration with various organizations increases awareness of community resources and support for children and families.

Big Picture Initiative located in Peoria received a \$1,000 grant to distribute nearly 200 art kits to local students at Lincoln K-8 School. Lincoln K-8 school's population is diverse with over 80.0% of students identifying as Black or Hispanic. Art is critical to engaging all children in a multitude of positive ways, and is crucial for the development of cognitive, social-emotional and multisensory skills. It is important the students at Lincoln K-8 have this opportunity to express themselves.

Living to Serve located in Peoria received a \$1,500 grant to enhance their health programming. Their efforts focuses on equal access to healthcare. They plan to expand their efforts through digital marketing and community outreach events to address disparities in public health that have been exacerbated by the pandemic.

YWCA of Southern Illinois located in Alton received a \$2,500 grant to support their Reading On program. The program offers diverse storybooks for teacher professional development and continuing education. They use diverse storybooks and concepts to give pre-k and other elementary teachers an opportunity to learn and discuss ways to bring concepts of diversity, inclusion and belonging to their classrooms.

No Father Left Behind, Inc. in Belleville received a full grant request of \$2,000 to support incarcerated men and their children. They promote diversity and inclusion by reaching an overlooked population. The organization provides parental training skills to fathers, provides transportation for children to visit their fathers on the weekend, and provides transportation vouchers to fathers who may have a job interview. They also help incarcerated fathers provide Christmas gifts to their children.

House of Miles East St. Louis (HOME) located in East St. Louis received a \$1,000 grant to support their HOME Science, Technology, Engineering, Arts, Mathematics (STEAM) program. The grant supports materials needed to allow students to learn and experience STEAM through hands-on experiences.

Trauma and Resilience Initiative, Inc. located in Urbana received a full grant request of \$2,500 to support their Healing Communities-Wisdom Leaders-Senior Community-Building program. The program supports senior residents in high-need neighborhoods who have concerns about safety, social isolation and inability to navigate the service system. The project supports a relationship-based healing model to increase access to services and support.

The Well Experience located in Urbana received a \$1,000 grant to fund the Sisters Engaging Together (SET) project. The SET project provides a safe place and activities to promote healthy conversations about racial disparities for women of color in a trauma-informed environment. Activities and discussions relate to racial disparities, systemic oppression, generational trauma, community violence and more.

HeartHaven Outreach located in Bolingbrook received a \$1,000 grant to support a diverse, educational field trip for teens. The goal is to raise awareness and provide services that are more inclusive to students and families of the Hispanic/LatinX demographic. The educational field trip creates an inclusive experience for the Spanish-speaking community.

Woodridge Rotary Club located in Woodridge received a full grant request of \$550 that purchased and donated inclusive and diverse books to students in the Edgewood School District. The books focus on acceptance of all children and encourage them to feel confident in who they are. The books include biographies, poetry and fiction stories which children of diverse backgrounds can relate.

New Life Lutheran Church located in Bolingbrook received a \$1,000 grant to enhance their Diaper Depot program. The program currently provides bundles of diapers to families in need. The expansion of the program provided much-needed formula. The program supports women caring for their children and provides food for their families while supporting their efforts to maintain their work in the community.

Prospect Heights Fire Protection District received a \$1,000 grant to expand their Community Connection Program. The program allows residents to share critical information about their households to aid first responders and emergency personnel to respond more efficiently. The expansion of the program will support conversations with diverse populations in the community. The conversations present dialogue to aid in diverse strategies, practices and programs to assist with quick, safe and effective responses.

Black History Month Awareness Club located in Bolingbrook received a \$1,000 grant to secure scholarships for high school seniors. The deserving high school seniors demonstrated their work of diversity in the community and educational excellence to succeed in college. The grant allows the organization to provide scholarships for students in need of financial assistance.

Southwest Suburban Immigrant Project located in Bolingbrook received a \$1,000 grant to support the organization's health justice program. The program promotes inclusion and diversity in the community and is on the forefront of language access with local health departments. The work supports equitable access to diverse populations. They plan to expand their efforts by providing additional training to community health workers to assist in connecting and leveraging resources.

For more information about Illinois American Water and the Inclusion and Diversity grant program, please visit www.illinoisamwater.com.



ILLINOIS AMERICAN WATER RECOGNIZES THIS HIGHLY EMOTIONAL TIME FOR OUR COUNTRY.

At Illinois American Water, we encourage, honor, and celebrate differences in our employees, including race or ethnicity. We have zero tolerance for any incidents of racism or discrimination.

**Respect and dignity for all are at the core of who we are –
anything less is unacceptable.**

While much work needs to be done to address systemic racism, we at Illinois American Water are committed to doing our part to contribute to a more just and inclusive society.

OUR DIVERSITY IS OUR STRENGTH.





ILLINOIS
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WE KEEP LIFE FLOWING®