

Exhibit to Agenda Item # 1

Quarterly Procurement Report for Second Quarter 2021.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, August 17, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Compliance BL-8

Competition

Inclusiveness

Economic
Development

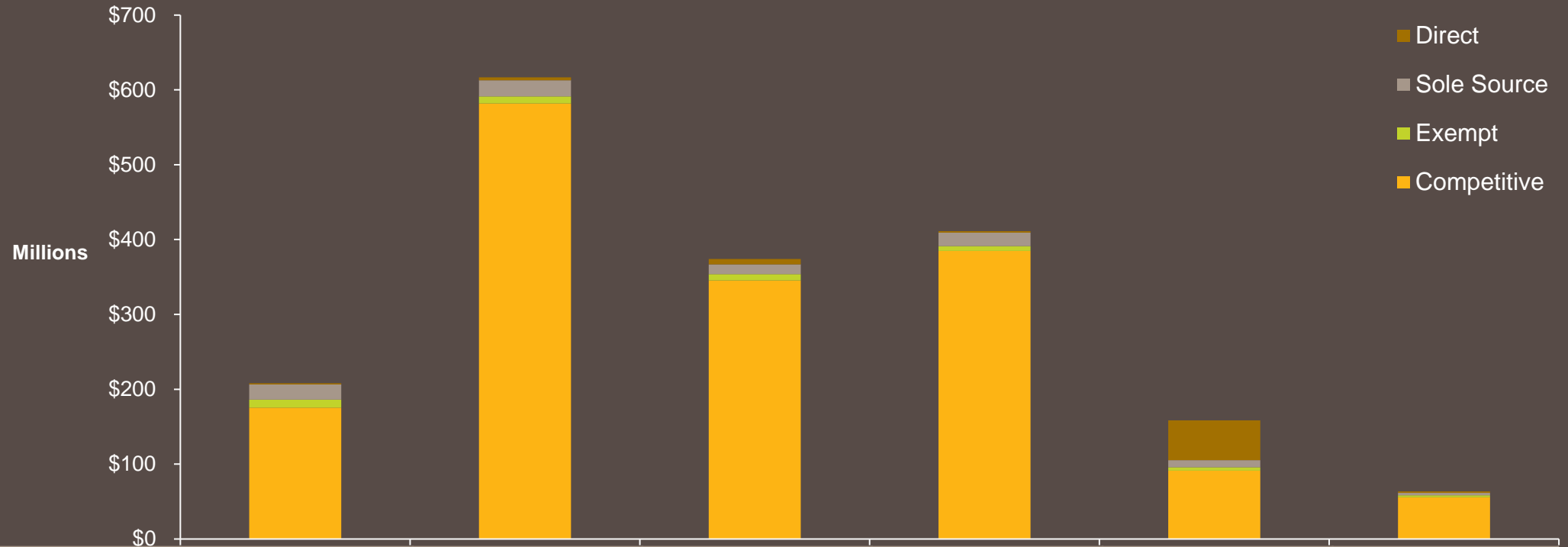
Supply
Chain Risk

Protests

Responsible
Bidder

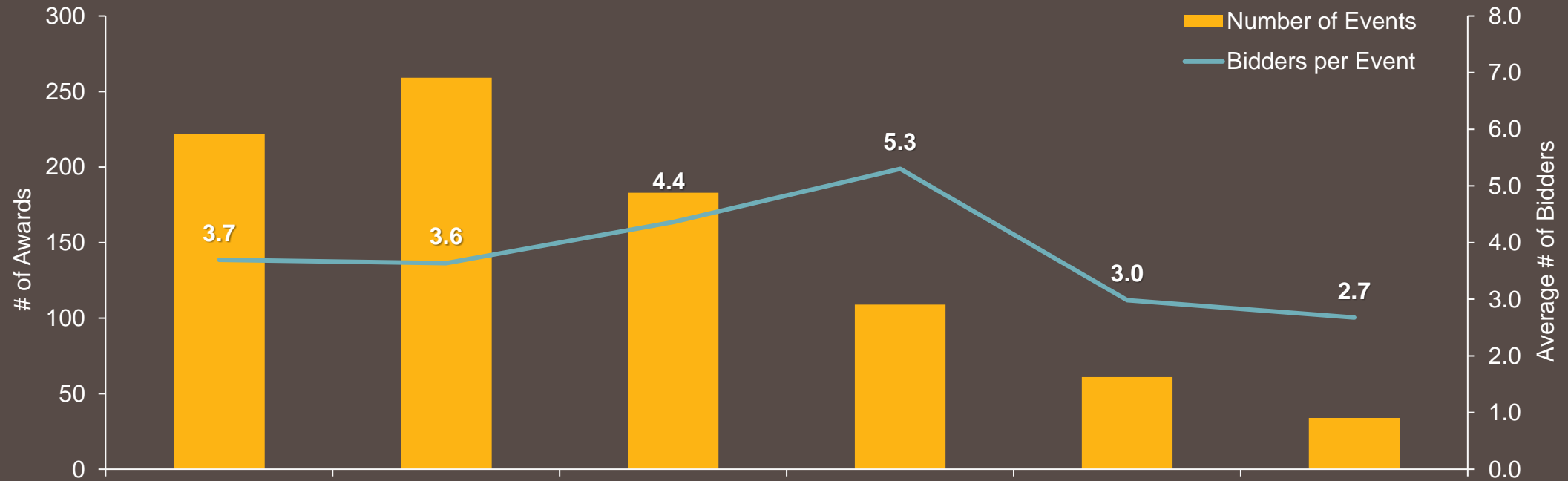
Environmental
Procurement

Competition – Contract Awards



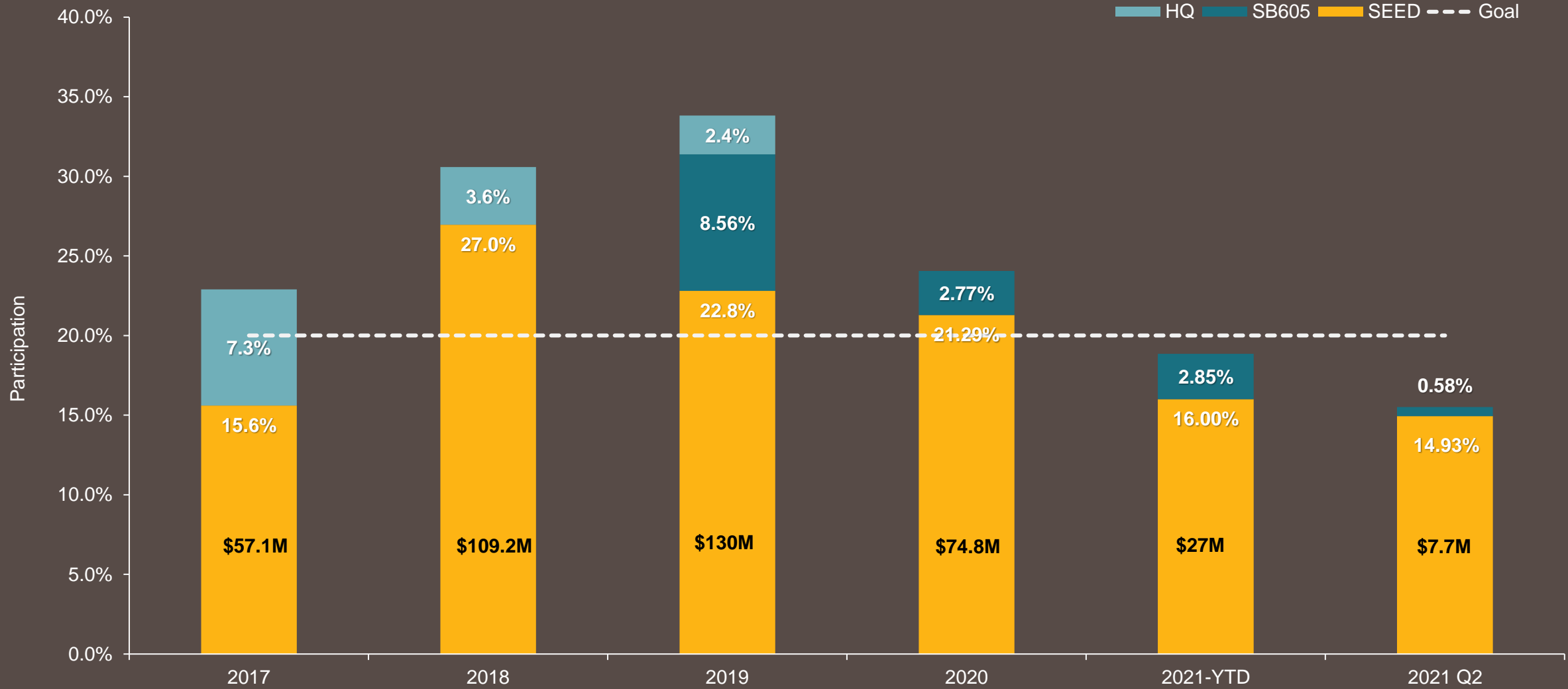
	2017	2018	2019	2020	2021-YTD	Q2-2021
Total Awarded	\$208.1M	\$616.8M	\$374.0M	\$411.3M	\$158.5M	\$63.6M
Competitively Awarded	\$175.3M	\$582.0M	\$345.3M	\$385.0M	\$91.3M	\$55.6M
Exempt	\$10.9M	\$9.3M	\$8.3M	\$6.5M	\$4.4M	\$2.8M
Sole Source	\$20.1M	\$21.7M	\$13.2M	\$17.8M	\$9.5M	\$3.3M
Direct Procurement	\$1.8M	\$4.0M	\$7.2M	\$2.0M	\$53.3M	\$1.9M

Inclusiveness – Bidders per Event

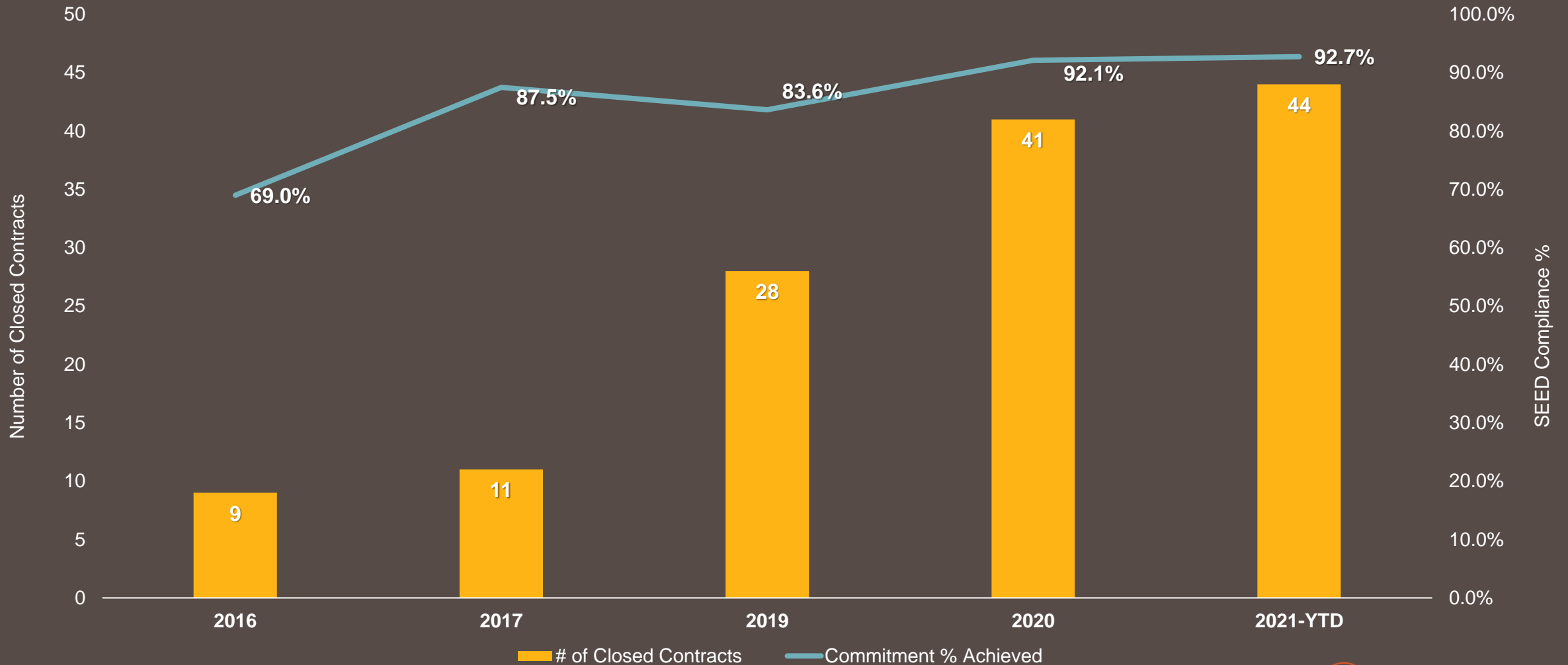


	2017	2018	2019	2020	2021-YTD	Q2-2021
Number of Bidders	820	942	798	578	182	91
Number of Events	222	259	183	108	61	34
Events with ≥ 3 Bidders	135	139	123	72	27	12
% of Events with ≥ 3 (count)	61%	54%	67%	66%	44%	35%

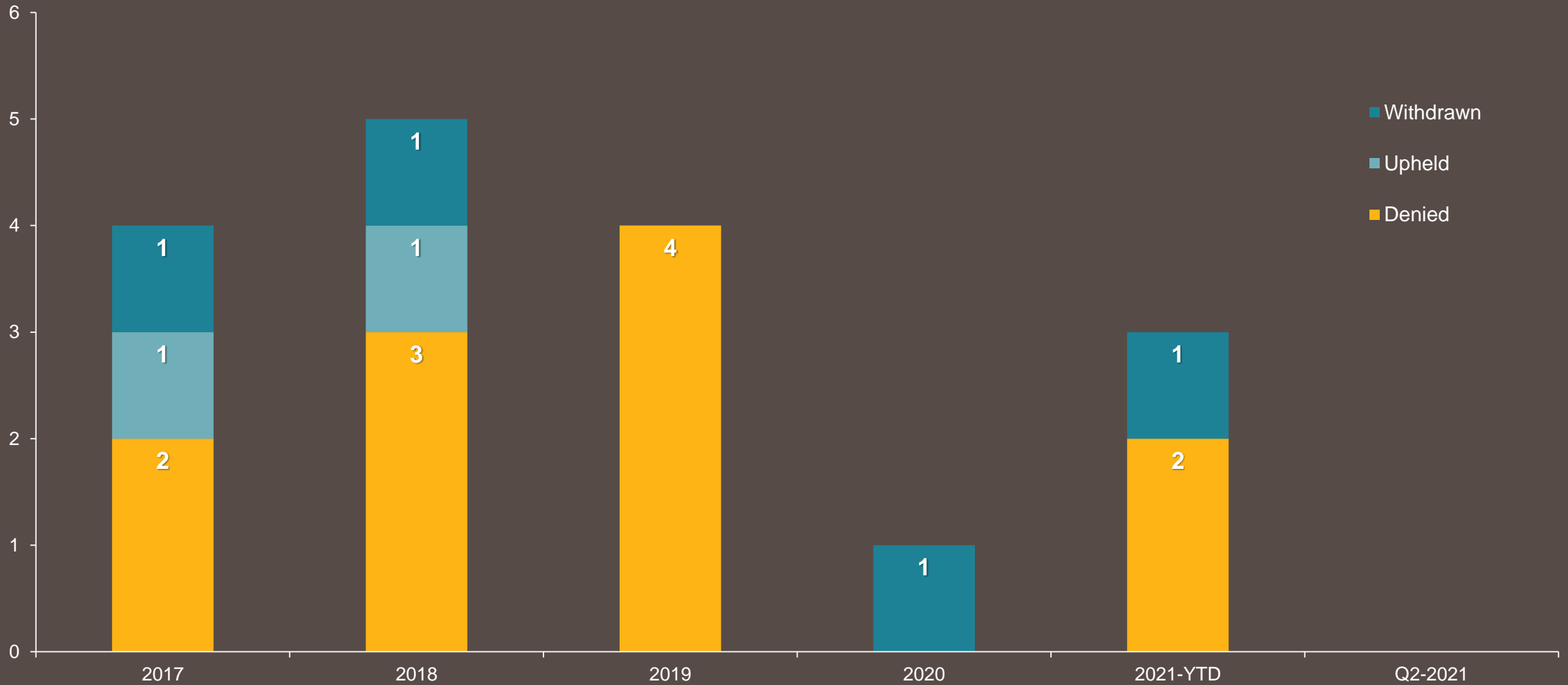
Supplier Education & Economic Development (SEED) Participation



Supplier Education & Economic Development (SEED) Compliance



Protests



Supply Chain Risk – Program Expansion

BL-8 Policy

- **Supply Chain Risk:** SMUD’s procurement activities shall identify, manage, and mitigate supply chain risks through a coordinated effort across the enterprise. (updated 2020)

Enterprise Risk Management: Supply Chain, Material Lifecycle

SD-17 ERM Portfolio: Residual Business Critical Risk Exposure: December 8, 2020			
Financial Risks	Operational Risks	Strategic Risks	
Budget Planning and Rate Setting	OP: People	Grid Infrastructure: Reliability	Business Model
Financing	Employee Safety	T&D Line Assets	Technology/Competition Driven
Accounting/Financial Report	Ethics/Integrity	Poles	Demand Response
Capital Availability/Cashflow	Illegal Acts/Fraud	Secondary Network	Distributed Generation
Liquidity	Strategic Workforce Agility	Underground Cables	Distributed Storage
Load Variation	OP: Systems and IT	T&D Substation Assets	Electrification of Transport Sector
Retail Load	Applications Support	Telecommunications Assets	Energy Efficiency
Customer owned generation	Cyber Security	New Services & Local Agency Projects	Innovation
Price Volatility	Privacy	Labor: Business Disruption	Changing Customer Expectations
Commodity	Information Management	Legal Risk	Competitive Workforce Total Rewards
Hydro Generation	Data Governance	Operational Excellence	Corporate Governance
Interest Rate	Data Availability	Payroll Disruption	Board Driven
Project Execution	Enterprise-Wide Documentation	Pricing & Rate Design Implementation	GM Driven
Wholesale Credit Default	Grid Operational Systems & Support	EAPR Implementation Process	Enterprise Grant Integration, Execution and Alignment
	Technology Systems Infrastructure	Public Safety	Sustainable Energy
	OP: Process	Regulatory Compliance Practices	Carbon Emission/AB32
	Balancing Authority Operations	CPUC General Orders	Load Serving Capability
	Bulk Power Op & Maintenance	Environmental Protection	Renewable Portfolio Standard
	Gas & Gas Pipeline Assets	Hydro License	CEC: Integrated Resource Planning
	Power Supply Assets	NERC/FERC Standards	External Risks
	Transmission Assets	Nuclear Waste	Economy - Business
	Enterprise Continuity Management	Revenue Collection Ops & Maintenance	Legislation - Regulatory
	Communications	Meter to Cash	Federal
	Internal Communications/Alignment	Supply Chain	Dodd-Frank Implementation
	Media & Community Relations	Material Lifecycle	Limits on Muni Bond Tax Exemption
	Customer Serv Operations: Business Disruption		Local Gov't
	General Facilities Op & Maintenance		State
	Customer Service Center		Bay Delta Flow Issues
	Energy Management Center		Post 2020 Carbon Markets
	Existing Corporation Yard		Natural / Other Hazards
	Headquarter Building		Pandemic
	Physical Asset Security		Wildfire
			Climate Change

Narrowly Focused Risk Elements

- Customer Demand
- Service Need Dates
- Delivery Delays
- Single Supplier Source

Expanded Measures of Risk

- Demand Planning
- Supplier Base
- Logistics
- Market Dynamics
- Supplier Performance
- Natural Disasters
- Regulation
- Attract and Retain Talent
- Technology
- Environmental Sustainability

Reference for SEED Program, slide #5

Our Supplier Education & Economic Development (SEED) program provides contracting education and incentives for State of California certified small rate-paying businesses in construction, commodities, supplies, maintenance and professional services procurement areas. SMUD's goal is to award no less than 20% of all eligible contracts, annually, to SEED vendors.

Vendors who meet both of the following requirements:

Certification: The California Department of General Services (DGS) Office of Small Business and DVBE Certification must certify the vendor as a "Small Business or Microbusiness." This is the only certification that we accept, and it must be in place by the bid opening date (for an IFB/BR, or RFQ/E-Bid) or proposal due date (for RFPs) to qualify for the SEED Program.

Ratepayer qualification:

The vendor must qualify as a SMUD ratepayer for the preceding 6 months prior to the bid or proposal due date. The physical address of the business (as recorded by the Department of General Services in its Small Business Certification) must be located in SMUD service territory. If the address shown on the Small Business Certificate is a post office box, a mailbox at a private mailbox business, or a leased facility, the vendor must be able to demonstrate that the vendor is also a SMUD ratepayer.

Advantages:

- Up to a 5% price advantage awarded to SEED prime contractors or to prime contractors that choose to subcontract to SEED vendors.
- Up to 10 RFP evaluation points advantage awarded to SEED prime contractors or prime contractors that choose to subcontract to SEED vendors.
- Exclusive annual sheltered marketing (SEED set-aside bidding) opportunities up to \$82,000 or multi-year agreements for SEED contractors.

Reference for SB605, slide #5

Senate Bill No. 605 – Small Business Procurement and Contract Act (SB605):

- Amended Government code 14837 & 14838 covering certification under the Small Business Procurement and Contract Act
- Increases the average Gross Annual Receipts (GARs) threshold for “small business” to \$15M over the previous 3 years
- Increases the average GARs threshold for “microbusiness” to \$5M over the previous 3 years
- Establishes a new definition of small business for the purposes of public works contracts and engineering contracts for public works projects, as specified, with eligibility threshold of \$36M GARs over the previous 3 years and a maximum employee count of 200 based on recent 4 quarters
- The bill would allow directors of the department and other state agencies to count contractors that would be considered a small business or microbusiness in 2019, if the directors are unable to make the small business participation goals under existing law.
- The bill, by revising those definitions, would allow additional contractors to qualify as a small business or microbusiness, thus expanding the contractors authorized to request a preference filed under penalty of perjury.

Reference for protests, slide #7

RFP Doc2637505913 69KV Metering Units, \$500k Award:

- Power Systems Distributing Inc. did Protest the Award to Mader Supply LLC for 69KV Metering Units.
- The Power Systems Distributing Inc. proposal was deemed non-responsive key technical specification requirements, and RFP Section 4.5, Technical Bid Data was referenced, which states, “As explicitly noted in this section failure to provide all information with bid may be cause for rejection of bid”.
- The protest was denied by the Director of Procurement, Warehouse and Fleet.

RFP Doc2675304016 Power Transformers 230 73.5KV, 224MVA, \$7.9M Award:

- JSHP Transformer Protested the Award alleging that SMUD should not have declared the JSHP Transformer proposal as non-responsive.
- It was determined that SMUD appropriately deemed the JSHP Proposal as non-responsive per criteria clearly outlined in the bid request documentation.
- The protest was denied by the Director of Purchasing, Warehouse, Fleet.

RFP Doc2792391107 Two (2) VO12 Towable Generator 20KVA, \$250k Award:

- Leete Generators protested the Award alleging that SMUD failed to meet the open bidding process on this project.
- The Protest Letter was not received to the Protest In Box within the required 3 Days to Protest a RFQ Award.
- The protest was denied by the Director of Purchasing, Warehouse, Fleet, and the appeal received by the SMUD GM (per appeal policy) and was also denied.
- The Director of Procurement, Warehouse and Fleet requested that the original RFQ be withdrawn, the technical specification reviewed and revised, and the RFQ reposted.

Reference for slide #3, sole source contracts

SOLE SOURCE

Only Known Source

INDEX	Vendor Name	Description	Amount
1	SAP AMERICA INC	SAP PROFESSIONAL SERVICES	\$ 1,000,000
2	APPLIED COMPUTER SOLUTIONS	NETAPP STORAGE ARRAY	\$ 399,756
3	IRTH SOLUTIONS LLC	USA NORTH/IRTHNET TICKET MANAGEMENT	\$ 60,000
4	ENERGY EXEMPLAR LLC	(1) PLEXOS LICENSE	\$ 26,938
			\$ 1,486,693

Software / Maintenance

INDEX	Vendor Name	Description	Amount
5	OKTA INC	OKTA IDAAS	\$ 1,068,552
6	TECH-NET INC.	CCA MSP ENHANCEMENT SUPPORT	\$ 500,000
7	EVERBRIDGE, INC.	CRISIS MANAGEMENT & MASS NOTIFICATION	\$ 116,375
8	ZOOM VIDEO COMMUNICATIONS, INC.	ZOOM CONFERENCING SERVICES	\$ 96,625
			\$ 1,781,552

Original Equipment Manufacturer

INDEX	Vendor Name	Description	Amount
9	ENDRESS AND HAUSER, INC	H2O/H2S ANALYZER REBUILD/REPAIR SERVICE	\$ 24,000
			\$ 24,000

Sole Source Procurement \$ 3,292,245

Reference for slide #3, sole source contracts

DIRECT PROCUREMENT

Miscellaneous

INDEX	Vendor Name	Description	Amount
10	ZEUS ELECTRIC CHASSIS, INC.	EQUIPMENT AND SERVICES	\$ 1,105,917
11	ZEUS ELECTRIC CHASSIS, INC.	EQUIPMENT AND SERVICES	\$ 356,653
12	STRATEGEN CONSULTING, LLC	AIR QUALITY CONTROL	\$ 50,000
13	BELFOR PROPERTY RESTORATION	TRANSMISSION LINE MONITORING SYSTEM	\$ 204,912
14	LINEVISION INC	TRAINING AND CONSULTING	\$ 165,656
15	UPTOWN STUDIOS INC	CES MARKET IQ SERVICE CONTRACT RENEWAL	\$ 38,400
16	CUSTOMIZED ENERGY SOLUTIONS LTD	PROCUREMENTIQ + SUPPLIERIQ SUBSCRIPTION	\$ 28,000

\$ 1,939,538

Direct Procurement \$ 1,939,538