

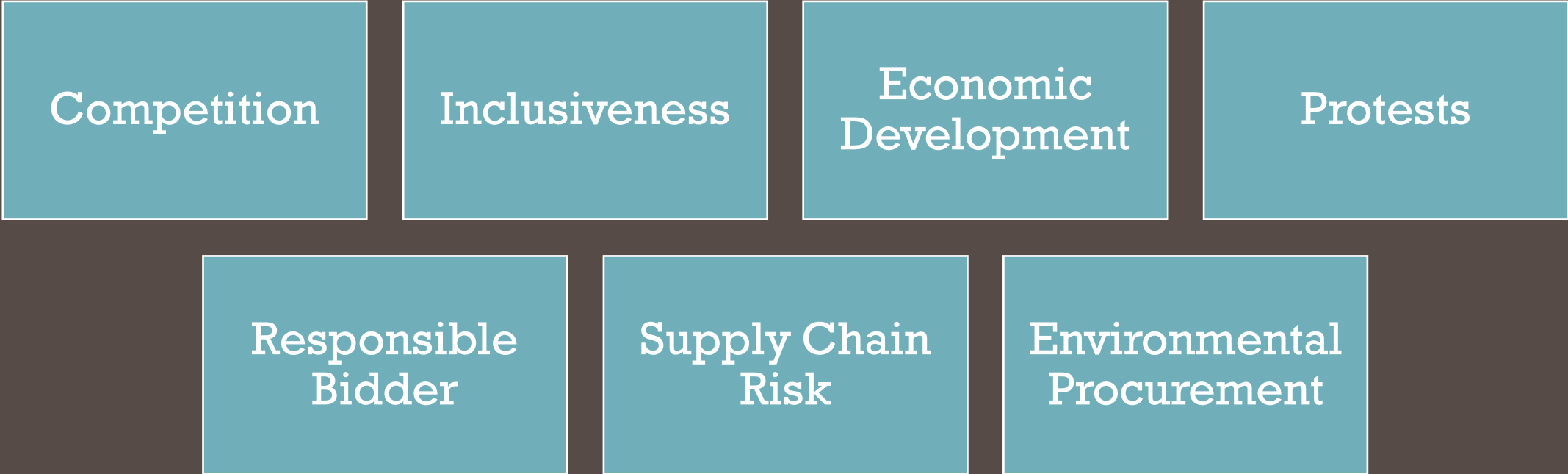
Exhibit to Agenda Item #3

Quarterly Procurement Report for Fourth Quarter 2021.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, February 15, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Compliance BL-8



Competition Contract Awards



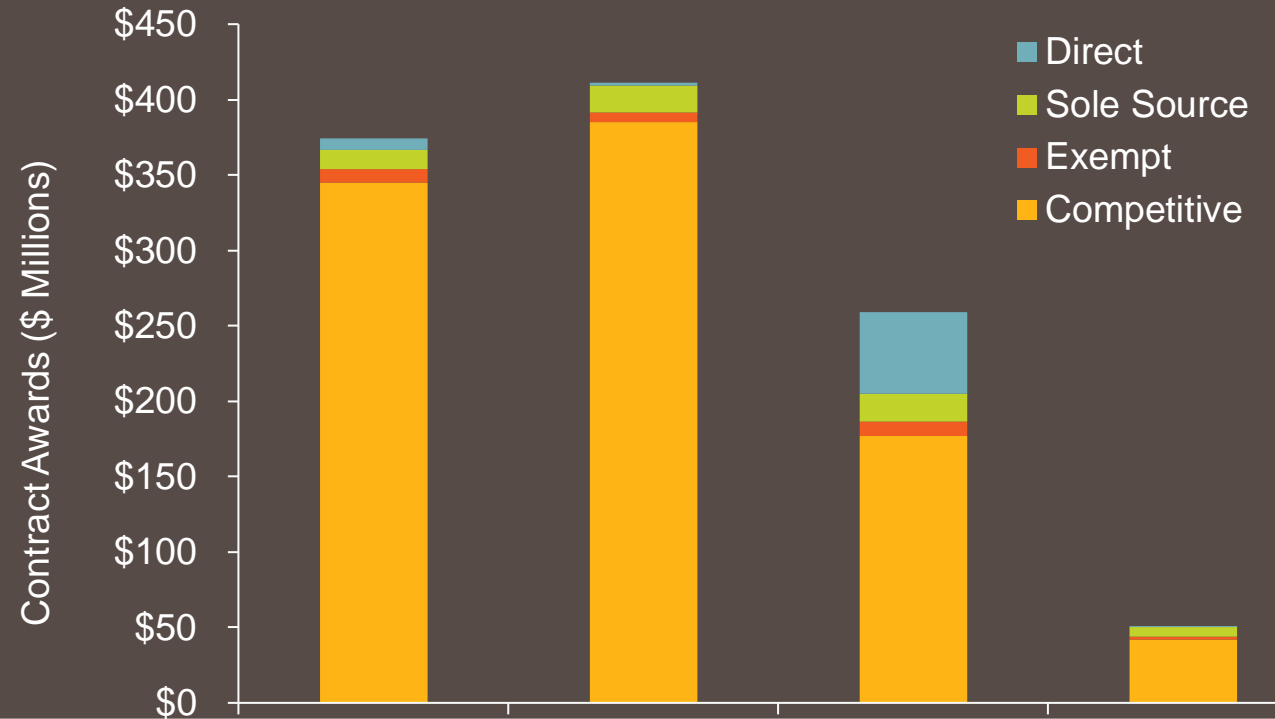
2021 Totals

- \$259M total contract awards
- 68% competitively awarded, \$177M total



Q4 2021

- 82% competitively awarded, \$42M total

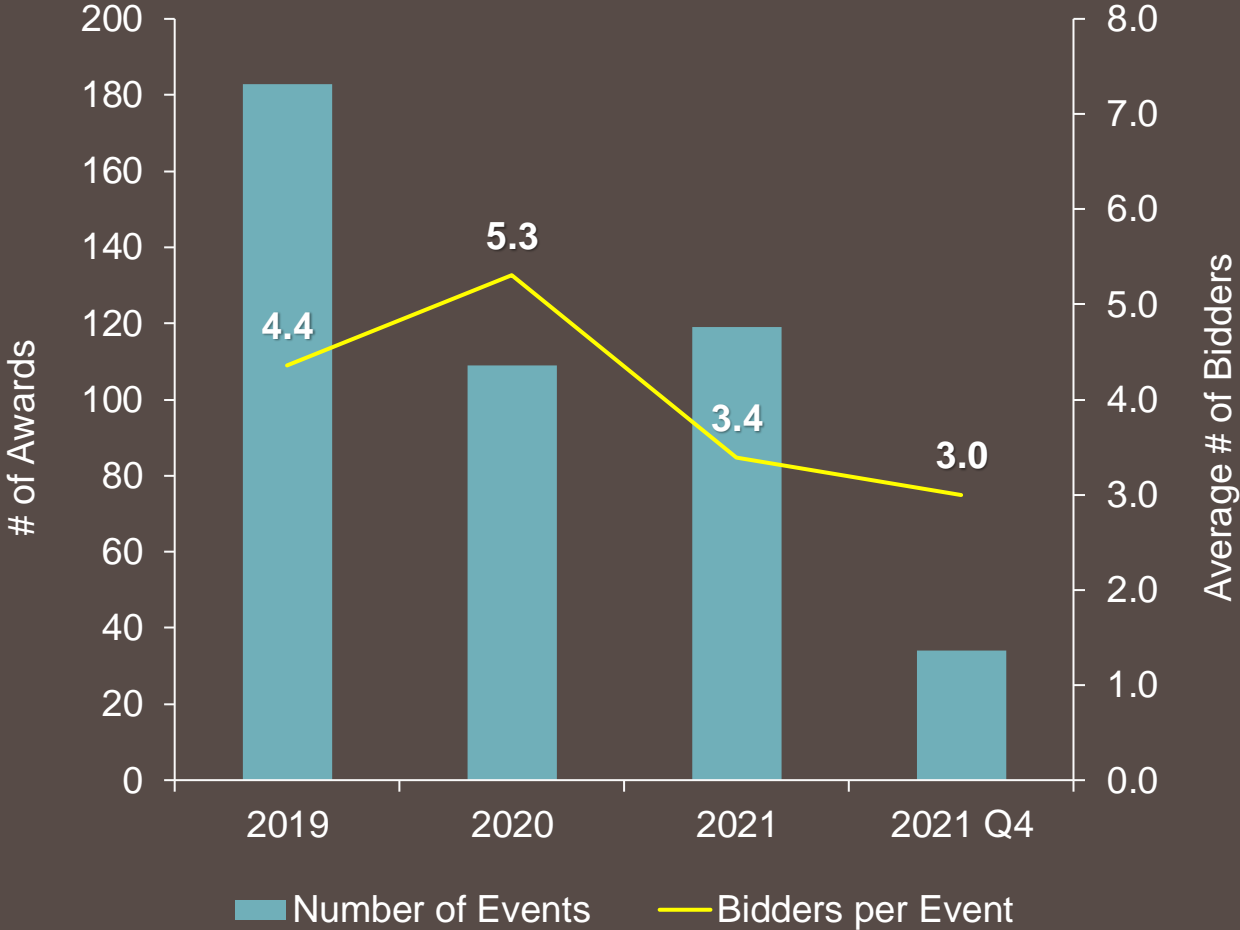


	2019	2020	2021	Q4-2021
Total Awarded (\$M)	\$374	\$411	\$259	\$51
Competitively Awarded	\$345	\$385	\$177	\$42
Exempt	\$8	\$6	\$9	\$2
Sole Source	\$13	\$17	\$19	\$6
Direct Procurement	\$7	\$2	\$54	<\$1M

Inclusiveness

Participation & Completion

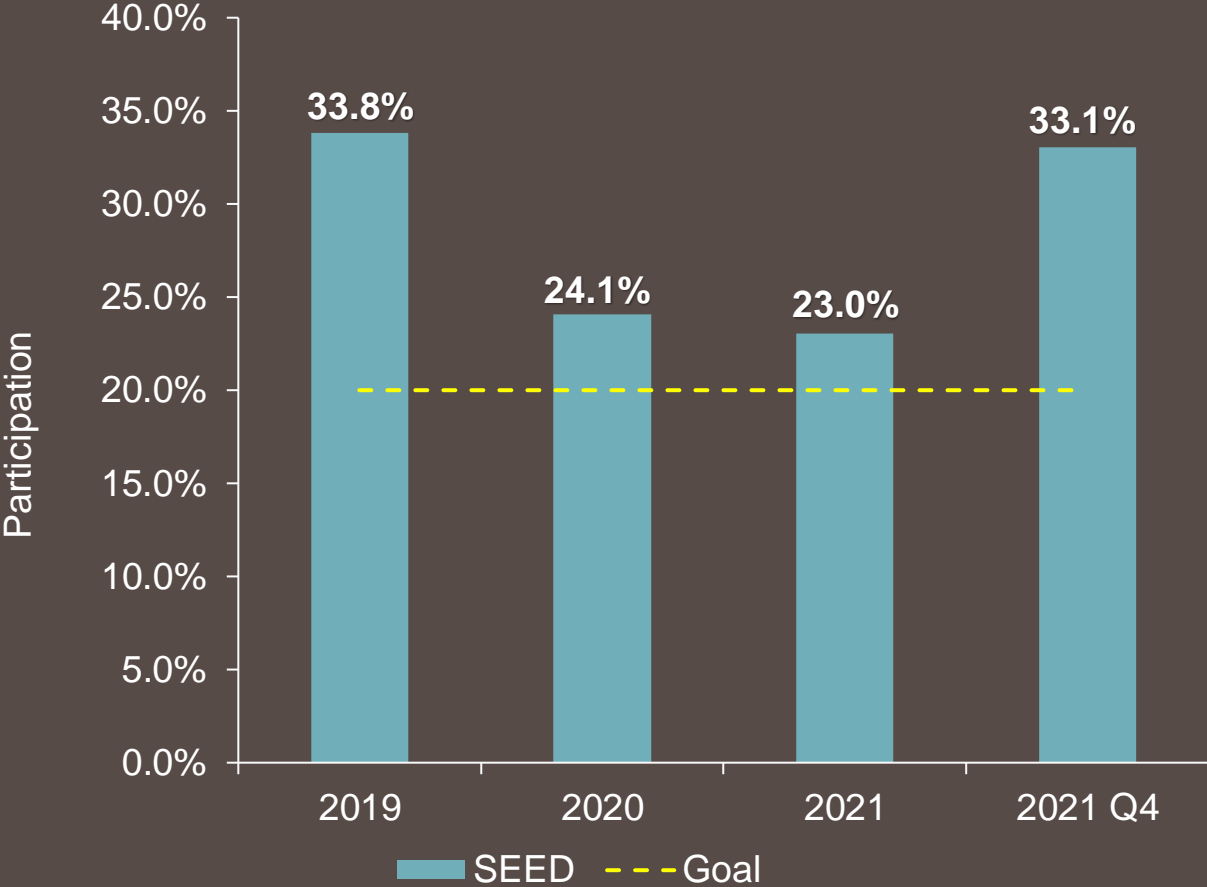
- In Q4 2021, there were 34 events with an average of 3 bidders
- In 2021, we exceeded our target of 3 or more bidders per event
- 2021 totals:
 - 119 solicitation events
 - 3.4 bidders on average



Supplier Education & Economic Development (SEED)

Participation

- Through Q4 2021, SEED participation was 23%, exceeding our goal of 20%
- Q4 was a strong quarter, with 33% participation, \$13M total
- \$48M total for the year
- \$27.2M subcontracting (57%)
- \$20.8M prime contracts (43%)



Supplier Education & Economic Development (SEED) Compliance Reporting

SEED Contracts

- **Since 2015, SMUD has closed 51 SEED contracts with 93.9% compliance to date**
- **3 contracts ended in Q4:**

Black & Veatch

- 2016 contract; 5 years; engineering services
- Committed to 5.5% SEED participation, achieved 7.3% SEED

Synergy

- 2018 contract; 3 years; low-income weatherization services
- Committed to 20% SEED participation, achieved 25.5% SEED

Arrow Construction

- 2019 contract; 3 years; rock saw trenching – support of cable replacement program
- Committed to 2.3% SEED participation, achieved 7% SEED

Protests

Summary of Protests

Q4 2021 Protests

No protests in Q4

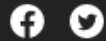
Supply Chain Update

How Companies Are Overhauling Supply Chains to Ease Bottlenecks

With shipping costs rising, some are bringing production closer to home

By Wall Street Journal

Jan 07, 2022 2:30 am



The Covid pandemic has strained global supply chains, causing freight backlogs that have driven up costs. Now, some companies are looking for longer-term solutions to prepare for future supply-chain crises, even if those strategies come at a high cost. Photo Illustration: Jacob Reynolds

LOGISTICS REPORT

New Studies Find Unprecedented Impact from Supply-Chain Turmoil

The assessments from regional Fed banks mark new attempts by economic policy makers to measure disruptions driven by the pandemic and shipping strains



Supply-chain strains over the past year include a backlog of vessels waiting for berths at Southern California's ports that have exceeded 100 container ships.

PHOTO: BING GUAN/BLOOMBERG NEWS

Choke on the Water

Bottlenecks at key West Coast ports show no sign of easing up



Source: Marine Exchange of Southern California & Vessel Traffic Service L.A./Long Beach

Bloomberg



Industry Supply Chain Concerns



Information sharing from Large Public Power Council

- Lead times have increased significantly
- Distribution transformers seems to be the equipment of most concern. Lead times have shifted from 2-3 months to 7-12 months
- Fleet and heavy equipment deliveries have shifted out to almost 2 years
- Experiencing major delays in construction due to material deliveries and labor shortages
- Cost of most materials have increased nearly 30-50%
- Manufacturing partners are experiencing labor shortages which is impacting production
- Running out of meters, conduit, and cable needed for new construction

Industry Supply Chain Mitigation Strategies

Ongoing collaboration with the American Public Power Association

- Creating internal supply chain disruption mitigating teams and supply chain committees
- Contracting with additional suppliers
- Extending current agreements
- Renegotiating volatile commodity contracts based on index pricing
- Increasing stock levels and reordering points
- Purchasing old or refurbishing transformers
- Relocating unloaded/underutilized transformers
- Requesting emergency declarations to suspend competitive bidding



SMUD's Supply Chain Strategies

What we've done

- Increased safety stock
- Extended forecasts
- Critical supplier escalations
- Reserved manufacturing capacity



- Negotiated price increases
- More frequent supplier interactions, expediting critical material and equipment orders
- Utilized and considered many options to manage supply

SMUD's Supply Chain Strategies

What we're working on



- Adding a review of material requirements for reliability, compliance, outage recovery, wildfire support, and zero carbon projects
- Reviewing customer project requirements and considering design options
- Repairing equipment to extend lifespan