



FY24 SUPPLIER DIVERSITY

ECONOMIC IMPACT REPORT



Delivering water and power®

TABLE OF CONTENTS

3	Our Mission and 2050 Vision	17	Strategic Value of Supplier Diversity
4	Message From Our Leaders	18	FY24 Community Impact
7	Supplier Diversity Initiative	19	Better Together Summit
8	FY24 Economic Impact	20	Supplier Testimonials
11	FY24 AZ Impact	24	Contact Us
14	FY24 U.S. Impact	25	Appendix

OUR MISSION AND VISION



OUR MISSION

We serve our customers and communities by providing reliable, affordable and sustainable water and energy.

2050 VISION

A secure water and clean energy future empowers Arizona to thrive for generations to come.

MESSAGE FROM OUR LEADER

Company Report and Overview – Jim Pratt, CEO

SRP is a community-based, not-for-profit public utility that provides reliable, affordable and sustainable water and power to more than 2 million customers across the greater Phoenix metropolitan area.

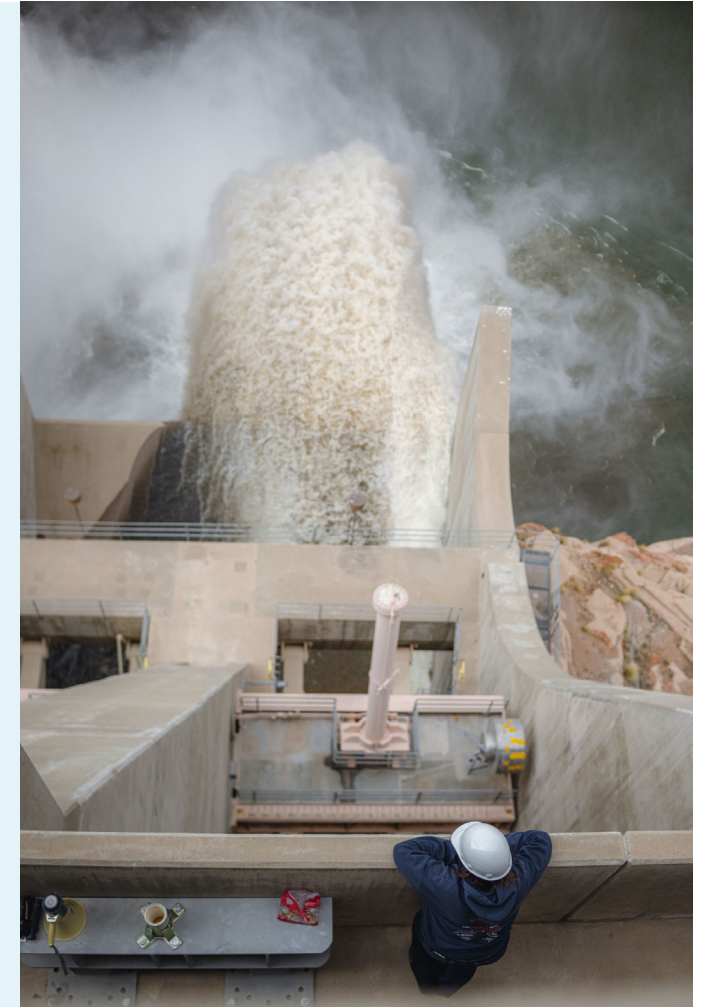
This report highlights the significant value and broad community impact of SRP's Supplier Diversity strategy. In FY24, SRP spent **\$288 million** on goods and services with over **764** small, local and diverse suppliers, representing nearly **21% percent** of our managed spend, supporting local jobs, income and taxes.

Our customers and the vibrant communities we serve are at the forefront of everything we do at SRP. Our robust supplier diversity strategy is an extension of our mission, vision and communities we serve. Small, local and diverse suppliers are the backbone of the supply chain and are integral to our operations and ongoing success. When they thrive, the entire community benefits.



To all of the amazing small, local and diverse suppliers providing essential products and services every day, thank you.
We could not do it without you."

Jim Pratt
GM & CEO, SRP



MESSAGE FROM OUR LEADER

SRP is committed to Supplier Diversity – Rob Taylor, AGM

SRP's commitment to using small, local and diverse suppliers for acquiring goods and services is an important part of our corporate goals and objectives. These companies offer unique ideas and approaches which can foster innovation, including the development of new processes, products and services. They are often local, which boosts the economies of the communities we serve and often helps avoid disruptions associated with broader supply chain logistics.

Our region remains among the fastest growing in the nation, and SRP is responding to an unprecedented increase in the demand for power as we also work to transition our system to cleaner energy resources. We appreciate working and partnering with small, local and diverse suppliers who understand the rapid evolution of our industry and know the importance of agility and reliability in helping SRP respond to these challenges.



We believe our Supplier Diversity strategy is essential to our success and sets a strong example for other utilities as well as businesses in general."

Rob Taylor
Associate General Manager
Chief Public Affairs & Corporate Services Executive

MESSAGE FROM OUR LEADER

Supplier Diversity strategy supports our mission – Steve Lopez, Sr. Director

Maintaining supplier diversity is a crucial element to securing a supply chain that is resilient, innovative and sustainable. Engaging with a diverse range of suppliers allows SRP to spread risk across multiple sources, which reduces the impact of disruptions from any single supplier.

Within our Supply Chain organization, it is our duty to anticipate and plan flexible and innovative solutions that align with SRP's strategy. Our work is essential to serving SRP's power and water customers through the support we provide to our many internal clients in meeting their established objectives. As we remain true to our philosophy of leadership, teamwork and problem-solving, we work to promote and achieve operational excellence through strategic partnerships and continuous improvement.



“I’m proud of our Supply Chain team for their successful work in building a robust and diverse base of suppliers enabling SRP to continue to move forward and fulfill our mission.”

Steve Lopez
Senior Director
Supply Chain & Flight Services



SUPPLIER DIVERSITY INITIATIVE



Supplier Diversity’s mission is to promote a composition of corporate spending reflective of the communities we serve.

SRP first formalized supplier diversity within our supply chain strategy in 1995. Nearly three decades later, we are steadfast in our commitment and evolving in the way we work with small, local and diverse business partners to encourage innovation and sustainability and promote economic development and empowerment.

SRP's network consists of thousands of suppliers, including large-capacity prime contractors capable of subcontracting to small, local and diverse businesses. The dollars paid by the prime supplier to their small, local and diverse subcontractors, in relation to contracts with SRP, are considered second-tier spend to SRP. SRP encourages all suppliers to identify and provide sourcing opportunities within their own supply chains for small, local and diverse suppliers as providers and subcontractors.

20.85%

SMALL & DIVERSE SPEND %

\$288.5M

SMALL & DIVERSE SPEND

764

TOTAL SMALL & DIVERSE
SUPPLIERS

\$6.8M

TIER 2 SPEND

Note: Total spend is \$1.4B



FY24 ECONOMIC IMPACT

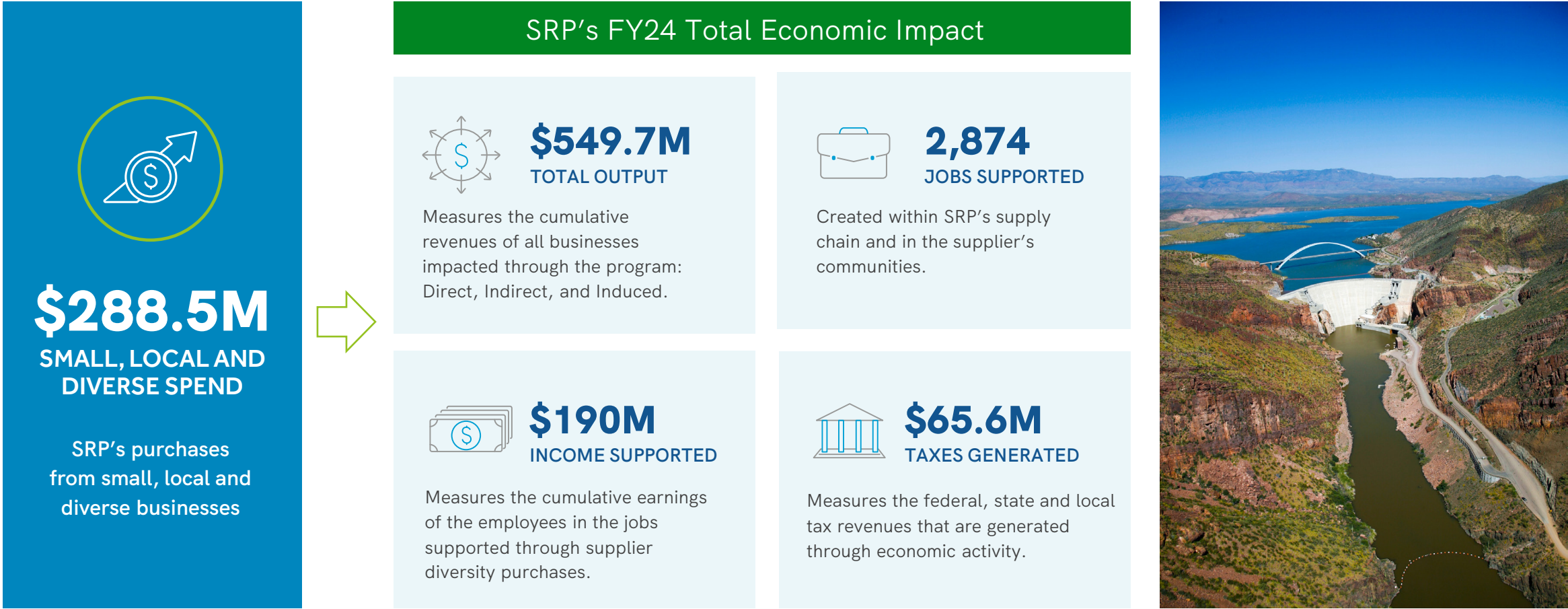


Delivering water and power®

HOW WE MEASURE ECONOMIC IMPACT

Economic Impact Metrics

Economic impact reports communicate the impact on the economy using these standard measures: Output, Jobs, Income and Taxes.



Note: this report will vary slightly from previously reported FY24 numbers due to SRP undergoing a data enrichment process. This process ensures data integrity for future reporting.

ECONOMIC IMPACT CHANNELS

SRP’s spending with its small, local and diverse suppliers generates economic activity in its supply chain and their communities. SRP’s purchases have a ripple effect on the supply chain. The total economic impact is comprised of three components: **direct, indirect and induced**.



Direct Impact

The Direct Impacts are the jobs and payroll directly supported by SRP’s small, local and diverse suppliers.



Indirect Impact

The Indirect Impact is SRP’s small, local and diverse suppliers purchasing goods and services from other suppliers, not associated to SRP’s contracts, which creates a ripple effect through the economy.



Induced Impact

The Induced Impact occurs at the local businesses that supply products and/or services to the employees and their families in the jobs supported through direct and indirect spend.

Total Output \$549.7M



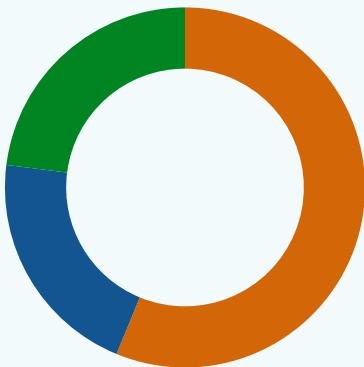
\$288.5M
DIRECT
\$121.6M
INDIRECT
\$139.7M
INDUCED

Total Jobs 2,874



1,585
DIRECT
552
INDIRECT
737
INDUCED

Total Income \$190M



\$106.8M
DIRECT
\$39.5M
INDIRECT
\$43.7M
INDUCED

Note: Direct, Indirect and Induced numbers may not add up to the total due to rounding.



FY24 AZ IMPACT



Delivering water and power®

ARIZONA IMPACT

SRP’s small, local and diverse suppliers drive economic growth through their purchasing power, amplifying the overall impact in the state and our communities.

\$334.6M
TOTAL OUTPUT

\$40.7M
TOTAL TAXES
GENERATED

\$116.7M
TOTAL INCOME
SUPPORTED

1,794 JOBS
TOTAL CREATED

Small/Local-owned businesses	Disabled/Service Disabled-owned businesses	Minority-owned businesses	Women-owned businesses	Veteran-owned businesses	Disadvantaged-owned businesses	LGBTQ-owned businesses
\$151.2M Business Spend	\$14.5K Business Spend	\$19M Business Spend	\$41.1M Business Spend	\$3.5M Business Spend	\$28.8M Business Spend	\$68.2K Business Spend
\$54.7M Income	\$6K Income	\$7.7M Income	\$17.7M Income	\$1.2M Income	\$13.2M Income	\$31.6K Income
767 Jobs	-	87 Jobs	313 Jobs	14 Jobs	195 Jobs	-
\$173.7M TOTAL SMALL, LOCAL AND DIVERSE SPEND						

Note: Suppliers located in multiple locations are evaluated by the designated headquarters or purchase order remit to location, which may cause an over and/or underestimated impact in numbers.
Suppliers are included in every category for which they qualify, and therefore, numbers may add up to greater than the total spend, total taxes, total income and total jobs.
The dash represents that there are no full-time job equivalent based on SRP’s business spend.
Direct Jobs are 997 and Direct Income is \$66.9M.

ARIZONA TOP 5 INDUSTRIES

with jobs created



Note: Jobs are assigned to industries included in the North American Industry Classification System (NAICS) that was developed by the federal government.
*Other services include majority spending in all other automotive repair and maintenance.



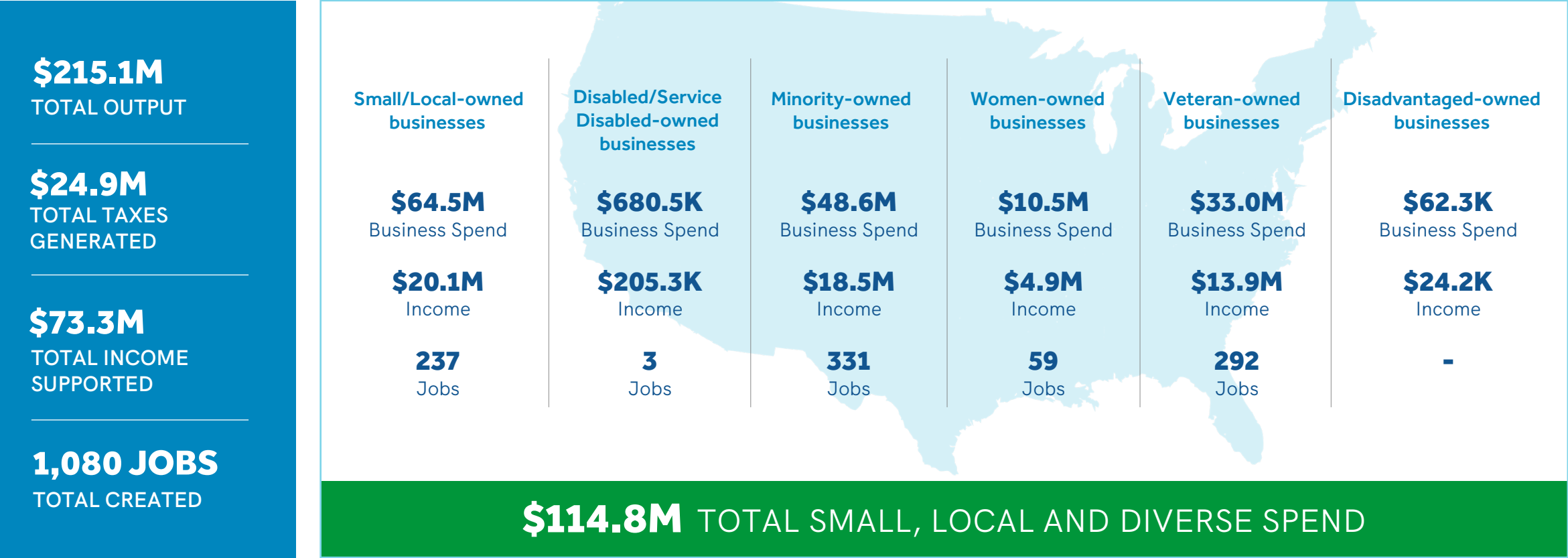
FY24 U.S. IMPACT



Delivering water and power®

U.S. IMPACT

total excludes Arizona spend



Note: Suppliers are included in every category for which they qualify, and therefore, numbers may add up to greater than the total spend, total taxes, total income and total jobs.
The dash represents that there are no full-time job equivalent based on SRP's business spend.
Direct Jobs are 588 and Direct Income is \$39.9M.

U.S. TOP 5 INDUSTRIES

with jobs created



Administrative and
support services

506

Professional,
scientific and
technical services

121

Electrical equipment
and appliance
manufacturing

107

Fabricated metal
product
manufacturing

96

Construction

92

Note: Jobs are assigned to industries included in the North American Industry Classification System (NAICS) that was developed by the federal government.

STRATEGIC VALUE OF SUPPLIER DIVERSITY

Erika Castro – Supplier Diversity Manager



The evolution and engagement of SRP’s supplier diversity initiative supports SRP’s current and future projects through its partnerships with internal stakeholders and the community. Supplier Diversity provides value to internal stakeholders by connecting them with qualified small, local and diverse suppliers. Our team is the conduit helping connect our internal partners with suppliers who can provide the products and services SRP needs to serve our customers.

SRP regularly collaborates with community partners to leverage connections and reach new groups. In addition to the inaugural Better Together Summit*, SRP also partnered with the Southwest Veterans Chamber of Commerce to host the first annual utility industry panel. Procurement team members from SRP and partner utilities joined veteran suppliers for a successful collaboration, facilitating supplier/utility connections for future project opportunities.



“

Our Supplier Diversity program at SRP is more than just a business initiative; it is a shared commitment to fostering economic growth and an opportunity for small, local and diverse supply partners such as minority-owned, women-owned and veteran-owned businesses to thrive. I am proud of the efforts our team is making to enhance our supply chain while contributing to the prosperity of small, local and diverse businesses.”

Erika Castro
Supplier Diversity Manager

30 SOURCING REQUESTS

75 BUSINESS CONNECTIONS MADE

16 COMMUNITY PARTNERS UTILIZED FOR SOURCING

*See page 19 for more information about the Better Together Summit.

FY24 COMMUNITY IMPACT



Diversity is essential to the strength of our communities and businesses. SRP is dedicated to empowering Arizona's customers and communities. By actively engaging with organizations that champion small, local and diverse businesses, and by serving on their boards, we aim to foster economic empowerment and build a sustainable supply chain for goods and services. This dual approach not only strengthens our commitment but also ensures we are directly involved in shaping the outcomes and initiatives that drive meaningful change.

In FY24, Supplier Diversity participated in 121 events, promoting small, local and diverse suppliers and expanding networks. These efforts led to SRP receiving 6 awards and several nominations. Our employees' collaboration and engagement are key to successfully providing procurement opportunities and strengthening our community partnerships.

BETTER TOGETHER SUMMIT

Salt River Project (SRP) spearheaded the groundbreaking **Better Together Business Summit Expo**, in collaboration with Arizona Public Service, Southwest Gas and Tucson Electric Power. This landmark event united over 350 attendees, including Arizona’s small, local and diverse suppliers, providing them with essential resources and insights to do business with major utilities and corporations.

The summit’s objective was to foster strategic relationships between procurement professionals and suppliers, paving the way for future business opportunities. Attendees were inspired by a morning fireside chat featuring key industry executives: Rob Taylor (SRP), Jacob Tetlow (APS), Brad Harris (SWG) and Jeanine Tracey (TEP), who discussed the state of the utility industry.

Participants also engaged in matchmaking sessions and heard an update from keynote speaker Shivani Dubey, Arizona Deputy Director for the U.S. Small Business Administration. The “Better Together” initiative underscores the unwavering commitment of the four major Arizona utilities (SRP, APS, TEP and SWG) to nurture and champion the growth of small, local and diverse businesses in the region.



350+
ATTENDEES



80
SUPPLIERS &
COMMUNITY PARTNERS



150+
MATCHES



4
CORPORATE PARTNERS



6
EDUCATION SESSIONS

SUPPLIER TESTIMONIALS



At SRP, we are passionately committed to empowering our suppliers, ensuring they are well-equipped to meet the challenges of tomorrow. Our small, local and diverse businesses are vital strategic partners, driving economic growth by creating jobs, fostering competition and sparking innovation within our community.

Our suppliers are not just collaborators — they are extensions of SRP itself. The health and vibrancy of our small, local and diverse business community reflect the overall strength of our economy. That is why SRP actively supports community organizations dedicated to the development and success of these essential suppliers, reinforcing our shared mission to thrive together.

GONZALEZ CONSTRUCTION, LLC



For over 10 years, Gonzalez Construction, LLC, a family-owned and certified SBE and DBE business, has proudly partnered with SRP to deliver high-quality construction services across residential, commercial and infrastructure projects.



“

It's a true pleasure partnering with the SRP Supplier Diversity program, which champions diversely owned businesses. Our partnership gives our business the opportunity to stand out and showcase our capabilities, ensuring that smaller businesses are not overlooked or overshadowed by larger companies. We value our relationship with SRP and look forward to continuing our collaboration for many more successful years.”

Lorena Gonzalez

Manager, Gonzalez Construction, LLC

SANTRAC TECHNOLOGIES INC.



SanTrac's partnership with SRP contributes to essential projects that support SRP's operational goals and unwavering commitment to employee well-being. SanTrac Technologies has facilitated seamless transitions, including relocating and optimizing thousands of IT equipment to enable SRP to provide a flexible, connected office environment, empowering teams to adapt to new workplace standards.



“

Thanks to SRP's Supplier Diversity program and their Small Business Leadership Academy, we've been able to build more robust project management processes. Their continual efforts to bring forward opportunities and successes for small businesses has also led us to expand our team to 16 members and significantly strengthened our ability to deliver exceptional service. We sincerely look forward to continuing our relationship with SRP to drive mutual growth and success.”

Abdullah Sanders

President, SanTrac Technologies Inc.

KRUE INDUSTRIAL, LLC



KRUE Industrial, LLC manages inventory and multiple projects across the SRP spectrum. They provide calibration services to keep all departments assets safe and compliant with handheld electronics, torque tools, chain hoists, slings and more. KRUE Industrial works side by side with SRP to support and mentor other MBEs, provide safety training and support our communities through charitable events.



“

In 2015, SRP invested in KRUE’s future by sponsoring us to attend the W.P. Carey Small Business Leadership Academy at ASU. This program was instrumental in our growth as a company, providing new skills for leadership and a clear direction for our team. After completing both the Leadership Academy and multiple successful projects for SRP, we were awarded the SRP 2016 Supplier of the Year Award. This honor gave us even greater exposure to individuals and teams throughout SRP.

From there,
our opportunities multiplied and so did our capabilities.”

Michael J. Obbema

President, KRUE Industrial, LLC

CONTACT US



Interested in doing
business with SRP?



REGISTER HERE

SRP CONTACT

supplierdiversity@srpnet.com
srp.net/supplierdiversity
602-236-8671

CORPORATE HEADQUARTERS

Street Address

SRP
1500 N. Mill Ave.
Tempe, AZ 85288-1252

Mailing Address

SRP
P.O. BOX 52025
Phoenix, AZ 85072-2005

CONNECT



facebook.com/srpconnect



x.com/srpconnect



youtube.com/srpconnect



instagram.com/@srpconnect

APPENDIX: ECONOMIC IMPACT MODELING

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income and employment.

There are several Input-Output models used by economists to estimate multiplier effects. Supplier.io employed the IMPLAN input-output model in developing estimates of spend, income and employment impacts. This model, initially developed by the U. S. Department of Agriculture, examines inter-industry relationships in local, regional and national economies.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some income and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

Analysis performed by supplier.io

Assumptions

This analysis relies on the following assumptions:

For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.

For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier's primary NAICS code.

A supplier impact is assumed to be localized within a state.

The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and income at specific companies.

References

This report is based on an analysis of data provided by the customer and information from the following sources:

[US Government Revenues](#)

[United States GDP](#)

[What is NAICS](#)

[IMPLAN](#)

[Multipliers Changing Over Time - IMPLAN - Support](#)

[Generation and Interpretation of IMPLAN's Tax Impact Report](#)

[Taxes: How the Pandemic Ruined My Tax Results - IMPLAN - Support](#)

[Pandemic: Analyzing the Economic Impacts of the Coronavirus - IMPLAN - Support](#)

[Economic Effects & Multipliers - IMPLAN - Support](#)



FY24 SUPPLIER DIVERSITY

ECONOMIC IMPACT REPORT



Delivering water and power®