



Delivering water and power®

ECONOMIC IMPACT REPORT

FY25 SUPPLIER DIVERSITY





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FUTURE FORWARD: OUR MISSION AND LONG-TERM VISION

At SRP, our mission defines what we do — today, tomorrow and into the future. It's the foundation of our daily efforts and long-term strategies. Our vision expresses the future we aspire to create by fulfilling that mission. Together, they provide a clear and compelling direction, guiding our decisions and energizing our teams.

Every contribution, no matter how big or small, plays a vital role in advancing our shared purpose. By staying aligned with our mission and vision, we not only deliver value to our customers and communities, but we also shape a more sustainable, innovative and inclusive future.



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.



LEADING THE WAY: A MESSAGE FROM OUR LEADERS

This report showcases the powerful impact of SRP's Supplier Diversity program in fiscal year 2025. Through strategic partnerships with **768** small, local and diverse suppliers, SRP spent **\$282** million in goods and services, representing nearly **19%** of our managed spend. I'm excited to say that this year's report also highlights SRP's total Arizona local spend. These partnerships help fuel local economies, support jobs, generate income and contribute to tax revenues that benefit our entire region.

Supplier Diversity plays a critical role in advancing SRP's broader business strategy to support our operations and ultimately our customers. It reflects our belief that a resilient supply chain is built on the strength of diverse businesses — each bringing unique value, innovation and expertise to our operations. When these businesses succeed, our community thrives.

To the small and diverse suppliers who deliver essential products and services every day: **THANK YOU.** Your contributions are vital to our success, and we're proud to stand alongside you in building a stronger, more inclusive economy.



At SRP, our mission goes beyond delivering reliable, affordable and sustainable water and power to over 2 million customers across the Greater Phoenix area. We're deeply committed to supporting the economic vitality of the communities we serve."

Jim Pratt

General Manager & CEO, SRP



LEADING THE WAY: A MESSAGE FROM OUR LEADERS

We believe that small, local and diverse businesses are the backbone of our community. We know some may face significant challenges, including limited access to capital and difficulty breaking into long-standing supplier relationships and constraints because of their size and lack of resources. These businesses are agile, innovative and willing to help find solutions when needed, which is essential for our operations. That's especially true as we face the challenge of unprecedented growth in the demand for power. Getting them into the mix of suppliers helps to unlock their potential, boosts the local economy and supports good jobs for Arizonans. We believe that when we work together, we succeed together.

Supplier diversity is about more than procurement. It's about people, partnerships and progress. SRP remains committed to our customers and community, and we can't wait to see what the next 30 years will bring.



SRP has always understood the importance of utilizing small, local and diverse suppliers. In 1995, we formalized those efforts, and over three decades, supplier diversity has become a valued and celebrated core initiative of our company."

Rob Taylor

*Associate General Manager,
Chief Public Affairs Executive, SRP*



STRENGTHENING THE SUPPLY CHAIN THROUGH SUPPLIER DIVERSITY

SRP first formalized Supplier Diversity as part of its supply chain strategy in 1995. Nearly three decades later, SRP remains steadfast in its commitment, continuously evolving how it engages with small, local, and diverse business partners. This long-standing focus reflects SRP's belief that inclusive procurement practices strengthen both the organization and the communities it serves.

SRP's supply network includes thousands of suppliers, ranging from large-capacity prime contractors to small, local, and diverse businesses. Prime contractors play a critical role by subcontracting work to these businesses, creating expanded economic opportunities across the supply chain. The dollars paid by prime suppliers to their small, local, and diverse subcontractors in connection with SRP contracts are recognized as second-tier spend.

SRP actively encourages all suppliers to identify and create sourcing opportunities within their own supply chains for small, local, and diverse businesses. By promoting both direct and second-tier participation, SRP advances supplier diversity as a business strategy that drives supplier engagement, strengthens supply chain resilience, and supports inclusive economic growth.

19%

SMALL, LOCAL & DIVERSE
SPEND

\$281.9M

SMALL, LOCAL & DIVERSE
SPEND*

*Total spend is \$1.5B.

768

SMALL, LOCAL &
DIVERSE SUPPLIERS*

*Out of 2,703 suppliers

\$7.6M

TIER 2 SPEND*

*Tier 2 spend accounts for \$3.1M in direct spend and \$4.5M in indirect spend.

SRP strengthened when work force, suppliers reflect customer base

by Art Glasbecker

A new effort has been launched to increase the number of minority- and women-owned businesses competing for contracts awarded by SRP.

The Supplier Diversity Program encourages participation by minority- and women-owned businesses in the economic base of the community, creating a supplier pool that more closely resembles SRP's customer base and enables SRP to continue providing services to its customers at the most affordable rates possible.

"SRP has a long tradition of involvement in community issues," said SRP General Manager Dick Silverman. "By establishing this program, we are expanding that legacy. This program is based on the principles of fair and equitable business practices and responsibility to the community we serve."

Dawn Olson, administrator, Supplier Diversity, Materials Services Department, said the program does not seek to force any business over the other in awarding contracts, simply to increase the participation of minority- and women-owned businesses in the bid process.

"This is not a giveaway or social welfare program," Olson said. "Our purpose is to provide opportunities to minority- and women-owned businesses. They must compete with all other suppliers in terms of cost, quality and service provided. They must compete head-to-head, but we must look for ways to include these businesses in our purchasing areas."

The program includes outreach efforts to identify minority- and women-owned companies that may be interested in doing business with SRP. Businesses owned by minorities and women supplied about \$10 million in goods and services to SRP for the fiscal year ended April 30, 1995.

The central theme of the Supplier Diversity program is that it establishes a self-filling scenario where everybody wins. SRP wins because it is growing commercial customers that provide goods and services at competitive prices. These savings are passed along to SRP customers. Minority business owners who become their business increases. This inevitably means more jobs and resources throughout the community.

The Supplier Diversity Program is the latest step toward establishing a supplier base that reflects the changing composition of the community.

SRP committee to support supplier diversity

SRP has established a Supplier Diversity Steering Committee to direct and monitor progress in expanding and accelerating SRP's involvement with minority- and women-owned businesses.

Members of the steering committee are:

Phil Bosker, manager, Facilities & Mechanical Services
Paul Cherrington, manager, Water Engineering & Transmission
Randy Foley, manager, Corporate Affairs
Gary Harper, manager, Marketing
Barbara Hurlburt, manager, Materials Services
Steve McClinton, manager, Marketing
Steve Mendonca, manager, ESD&C
Tony Ryan, manager, Energy Services Project

"We are simply asking employees to include minority- and women-owned businesses in their purchasing opportunities," Olson said. "Products and services provided by these businesses cover the spectrum, from nuclear fuel to printing."

Editor's note: Employees may learn how they can participate in the Supplier Diversity Program by calling Ext. 4775. Lists of minority- and women-owned businesses are available.

The Supplier Diversity Program is the latest step toward establishing a supplier base that reflects the changing composition of the community.





SUPPLIER DIVERSITY CELEBRATES 30 YEARS



This year marks a significant milestone for SRP as we celebrate 30 years of Supplier Diversity — a testament to our enduring commitment to inclusive economic growth and community empowerment.

Supplier Diversity is not just a program. It is a strategic pillar of SRP's supply chain operations. It directly supports our mission to deliver reliable, affordable and sustainable water and energy to our customers. By fostering inclusive business relationships, SRP strengthens supply chain resilience, drives innovation and reflects the diversity of the communities we serve.

SRP's robust network of small, local and diverse suppliers enhances our operational agility while also fueling economic development and a stronger regional economy. We remain committed to partnerships that support our mission and vision and help us serve our customers and communities.



“It's with great honor and appreciation that we celebrate 30 years of Supplier Diversity at SRP. The hard work from our Supply Chain team and small, local and diverse base of suppliers is unyielding, helping to fuel economic growth and support thriving communities across the Valley.”

Steve Lopez

*Senior Director
Supply Chain & Flight Services*



SHAPING ECONOMIES:

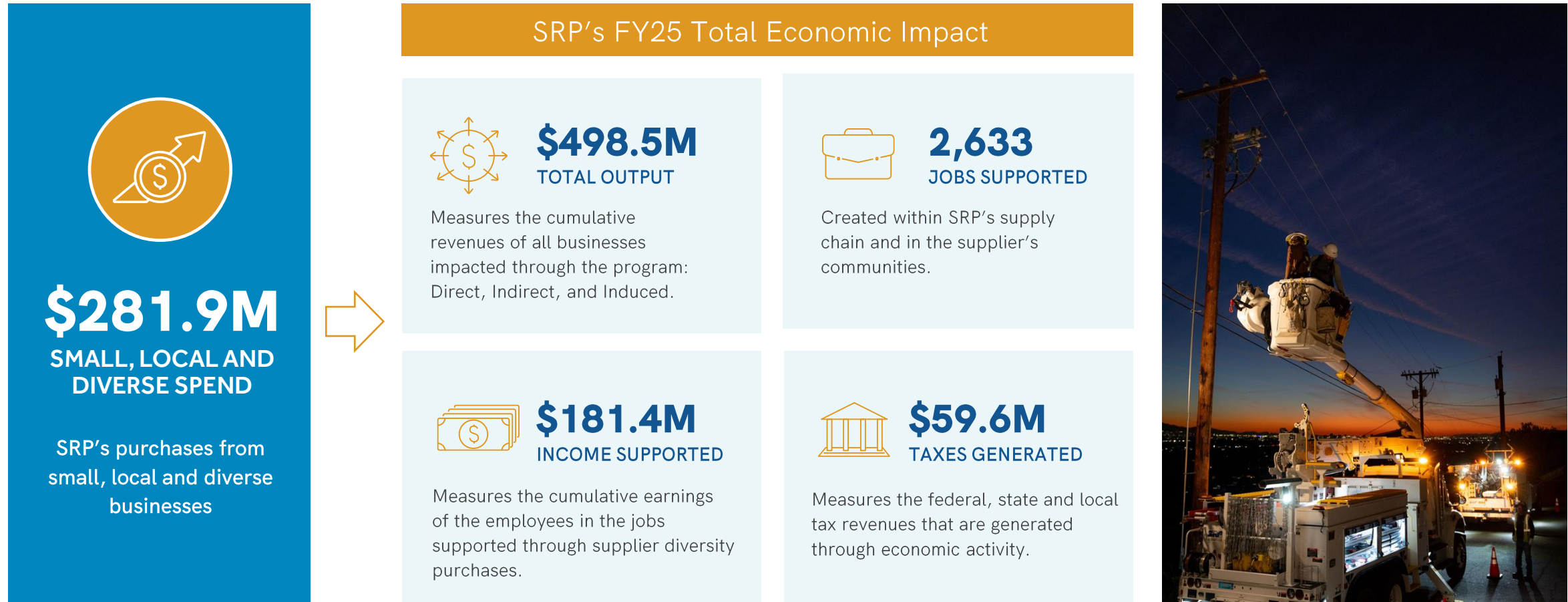
OUR FY25 IMPACT





FY25 TOTAL ECONOMIC IMPACT

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 FY25 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.



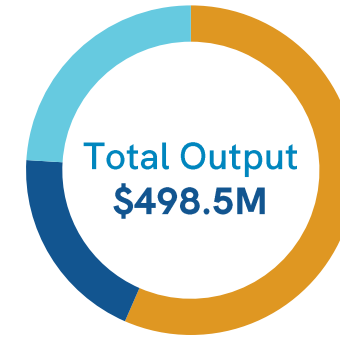
Indirect Impact

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.



\$281.9M

DIRECT

\$96.9M

INDIRECT

\$119.7M

INDUCED



1,525

DIRECT

473

INDIRECT

635

INDUCED



\$107.4M

DIRECT

\$34.8M

INDIRECT

\$39.2M

INDUCED

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



FY25 ARIZONA: SMALL, LOCAL & DIVERSE

This section represents a subset of SRP's total Arizona procurement spend, specifically encompassing spend with small and diverse businesses, including local businesses that qualify within those categories. These suppliers contribute to a resilient statewide economy, with their purchasing power helping to drive broader economic growth and amplify impact across the state and our communities.

Category	Business Spend	Direct Income	Direct Jobs
Small/Local	\$114.5M	\$37.8M	492
Women-owned	\$48.3M	\$20.3M	330
Disadvantaged	\$15.2M	\$6.4M	90
Minority	\$6.9M	\$2.3M	27
Veteran	\$3.1M	\$1M	11
LGBTQ+	\$242.4K	\$99.7K	2
Disabled	\$102.2K	\$57.4K	1



\$139.8M

Total Small, Local And Diverse Spend



\$245M

Total Output



1,259

Total Jobs Supported



\$84.9M

Total Income Supported



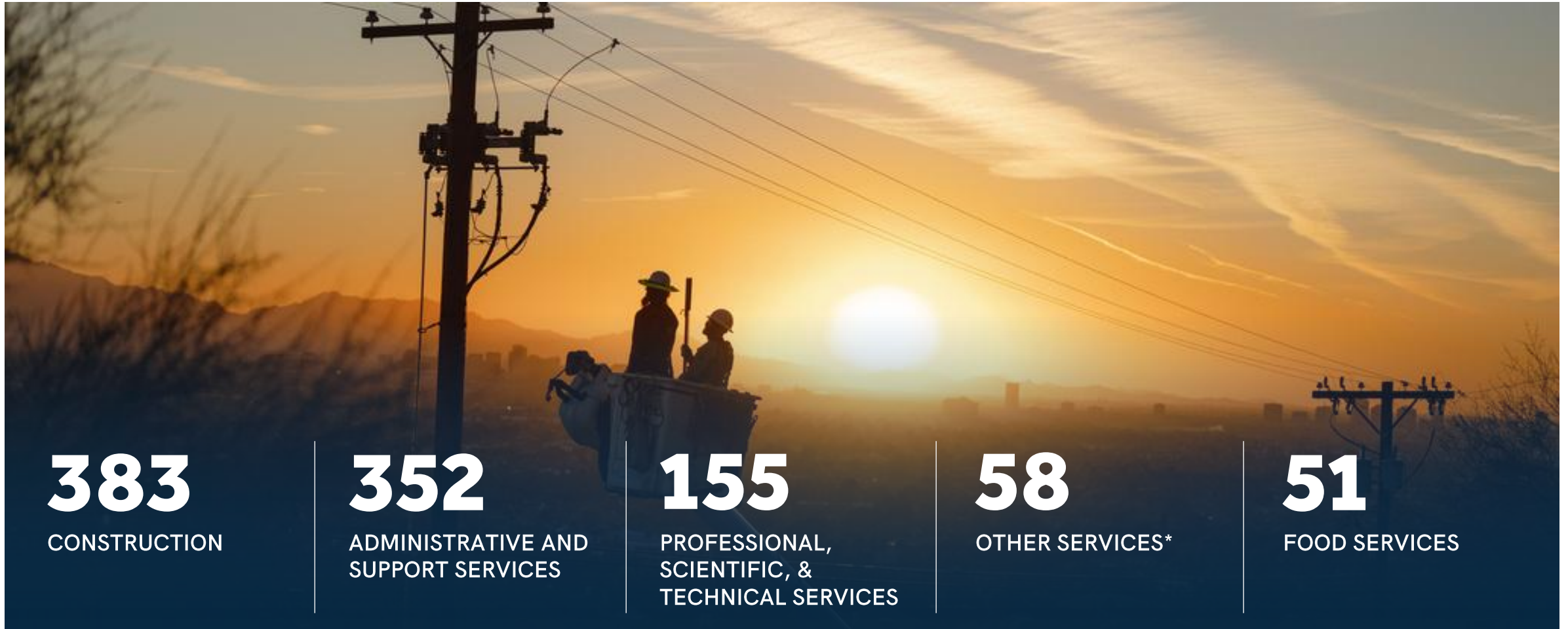
\$28.8M

Total Taxes Generated



ARIZONA SMALL, LOCAL & DIVERSE TOP 5 INDUSTRIES

with jobs created





U.S. IMPACT

total excludes Arizona spend

Category	Business Spend	Direct Income	Direct Jobs
Small/Local	\$77M	\$29.7M	353
Minority	\$60.4M	\$24.6M	408
Veteran	\$36.9M	\$17.6M	353
Women-owned	\$16.6M	\$8.4M	93
Disadvantaged	\$720.6K	\$273K	6
Disabled	\$204.6K	\$71.2K	1



\$142.1M

Total Small, Local And Diverse Spend



\$253.5M

Total Output



1,374

Total Jobs Supported



\$96.5M

Total Income Supported



\$30.8M

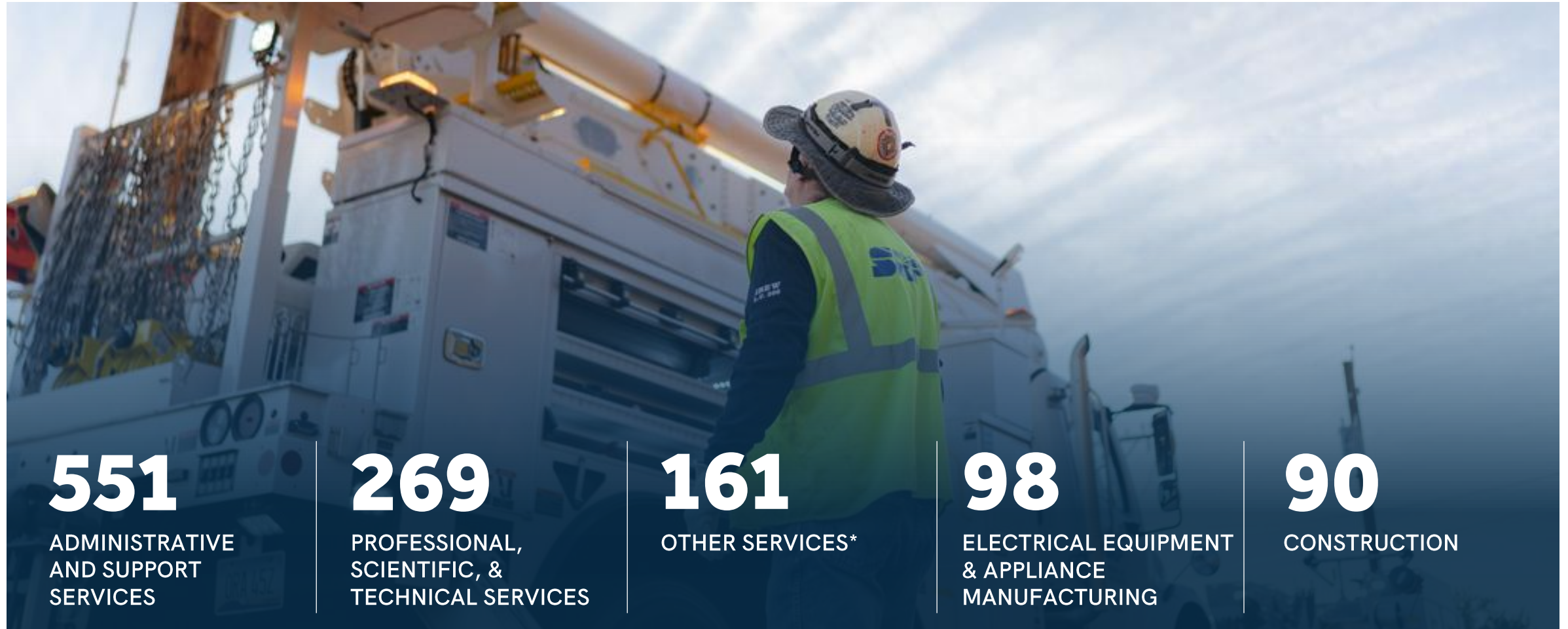
Total Taxes Generated

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. Direct Jobs are 1,214 and Direct Income is \$80.6M.



U.S. TOP 5 INDUSTRIES

total excludes Arizona spend with jobs created





FIRST-TIME VISIBILITY INTO LOCAL IMPACT FY25 OVERVIEW

SRP was founded in 1903 by a group of visionary ranchers and farmers who pledged their land to build the Roosevelt Dam, securing a reliable water resource for the Salt River Valley. Their bold commitment laid the foundation for Arizona's transformation from a rugged territory into a thriving state. Over the past century, SRP has grown alongside Arizona, becoming a trusted provider of water and energy to millions.

Featuring Arizona spend for the first time provides meaningful transparency into how our procurement activities directly support the economic health and vitality of the state.

These Partnerships Have:



Enhanced operational agility, allowing SRP to respond quickly and effectively to evolving needs.



Fueled economic development by supporting businesses rooted in the communities we serve.



Advanced our commitment to accessible growth opportunities.



Strengthened the regional economy, echoing the original vision of SRP's founders where collaboration leads to long-term prosperity.



EXPANDED ARIZONA VIEW

FY25 ARIZONA: TOTAL PROCUREMENT

While previous sections highlight targeted areas of supplier engagement, this section provides a comprehensive view of SRP's total procurement spend in Arizona. This broader perspective illustrates the full scale of economic impact supported across the state and local communities.



\$471.3M
TOTAL
PROCUREMENT
SPEND



\$835.6M
TOTAL OUTPUT



4,164
JOBS SUPPORTED



\$294.9M
INCOME
SUPPORTED



\$98M
TAXES GENERATED

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. Direct Jobs are 2,325 and Direct Income is \$174.3M.



ARIZONA TOTAL PROCUREMENT TOP 5 INDUSTRIES

with jobs created





SRP COMMUNITY IMPACT



DRIVING COMMUNITY IMPACT THROUGH SUPPLIER DIVERSITY

In FY25, Supplier Diversity advanced SRP's community impact through meaningful engagement and strategic partnerships, participating in 130 events and earning multiple recognitions. These efforts reflect the strong foundation built through collaboration with community partners and direct engagement with suppliers across Arizona. These partnerships serve as a cornerstone of SRP's Supplier Diversity strategy in connecting SRP with new, emerging, and established suppliers while expanding access to opportunity and strengthening an inclusive, resilient supply chain.



Building on this foundation, SRP delivers impact through targeted initiatives that develop suppliers, connect them to opportunities, and integrate them into major projects by driving measurable growth for businesses and long-term economic impact across our communities.

57

SOURCING REQUEST

6

MEET AND GREETs

5

AWARDS

130

EVENTS



SUPPLIER DEVELOPMENT SMALL BUSINESS ACADEMY POWERED BY SRP

SRP celebrated the return of its supplier development efforts with the launch of the Small Business Academy powered by SRP, following a six-year pause. Reintroduced in a refreshed format, the program reflects a renewed and modern approach to supporting small business growth. In partnership with Arizona State University's J. Orin Edson Entrepreneurship + Innovation Institute, SRP has evolved this longstanding program to better equip entrepreneurs with the tools, knowledge, and connections needed to succeed in today's environment. This next-generation model continues to build on the program's legacy—fostering innovation, expanding opportunity, and strengthening Arizona's small business community.

The six-week series delivered practical training, resources, and networking opportunities to help suppliers compete for major procurement opportunities, bringing together small businesses, community partners, SRP employees, and suppliers to support local business growth. Launched in January 2025, the program engaged **195 small businesses** and **221 individuals**, demonstrating strong participation across stakeholders. The cohort also showed high engagement, with **36 pitch contest applications submitted**, **22 community partners involved**, and **5 online learning modules delivered**.

Attendee Testimonial: *"We can all work together for a common outcome... suppliers were made to feel valued."*



195

SMALL
BUSINESSES
ENGAGED

221

INDIVIDUALS
ENGAGED

22

COMMUNITY
PARTNERS
ENGAGED

36

PITCH CONTEST
APPLICATIONS
SUBMITTED

5

ONLINE MODULES
DELIVERED



I'm excited to bring back SRP's long-standing supplier development program that provides immense value to our small, local and diverse business community. It strengthens participating businesses and provides the tools for them to grow and become procurement-ready."

Erika Castro

Manager

Supplier Diversity & Supplier Management



SMALL BUSINESS ACADEMY OUTCOMES & IMPACT

The Small Business Academy Powered by SRP is designed to drive measurable outcomes in supplier readiness and business growth. Post program results show strong momentum, with participants expanding their networks, strengthening capabilities, and progressing toward contracting opportunities with large organizations.

Pitch Competition Results

- **1ST PRIZE**
Ronnie Pedergen with
Skunky's Junk Removal
\$5K Audience Prize + \$7.5K
- **2ND PRIZE**
David Garretson with AI Code
Monkey \$4.5K
- **3RD PRIZE**
Emilio Gonzalez with Expand
Consulting Group
\$3K 3rd Prize



Impact highlights

33%

reported revenue
growth

27%

added employees to
support expansion

13%

secured new contracts

63%

pursuing opportunities
with large enterprises

93%

built new professional networks



BETTER TOGETHER BUSINESS RESOURCE LUNCH

SRP hosted the Better Together Business Resource Lunch in collaboration with APS, Southwest Gas, and Tucson Electric Power, demonstrating a unified, statewide commitment to providing access and opportunity for small, local, and diverse businesses. The event convened suppliers, community partners, and industry representatives from across Arizona, creating direct access to decision-makers and providing valuable insight into utility priorities, contracting processes, and upcoming opportunities. Participants reported establishing new procurement, networking, and business development connections, with **97% expressing interest in participating in future events and more than half rating the experience a perfect 5 out of 5**, reflecting strong engagement and overall satisfaction.



Attendee Testimonial: *"Great way to meet key decision makers all in one place."*



307+
ATTENDEES



151
SUPPLIERS & COMMUNITY
PARTNERS



17
BUSINESS UNITS ENGAGED



11
CORPORATE PARTICIPANTS



DELIVERING SUPPLIER DIVERSITY THROUGH PROJECT-BASED GOALS

SRP continues to advance its commitment to economic inclusion by encouraging departments to integrate supplier diversity into their procurement strategies. SRP's enterprise-level sourcing target is set at a minimum of 20% of goods and services from small, local and diverse businesses, with some internal teams aiming to exceed the target.

As part of SRP's Customer Modernization efforts, SRP is implementing SAP's Utility Suite to replace the legacy PHOENIX system and other supporting platforms transforming how the organization manages customer and operational processes. This upgrade enables more streamlined, responsive, and personalized services for customers. The Customer Modernization project also demonstrates how integrating diverse suppliers into large-scale initiatives can drive meaningful impact by expanding business opportunities, supporting local economic growth, and reinforcing expanded supplier participation.



In addition to its technological advancements, the Customer Modernization Project has committed to achieving a diverse spend goal of **25%**.



“There is great importance in engaging our small, local and diverse business community that has proven to provide value, innovation and agility. They provide a great balance, especially when you are dealing with large projects.”

Gibs Saint Paul
*Customer Modernization
Director*



CONNECTING BUSINESS NEEDS WITH SUPPLIER SOLUTIONS

Sustaining economic growth requires intentional investment with small, local, and diverse businesses, along with meaningful opportunities for connection. SRP's Supplier Diversity team advances this through targeted Meet & Greet sessions that connect suppliers with decision-makers and business units.

STRATEGIC IMPACT OF MEET AND GREET SESSIONS



Awareness
Supplier capabilities



Relationships
Across business units



Opportunities
Supplier growth within SRP

These engagements provide a platform to showcase capabilities, strengthen relationships, and connect suppliers to business opportunities, helping them better navigate SRP's procurement landscape. As a result, Meet & Greets reduce barriers to access, strengthen the supplier pipeline, and support the growth of businesses across the community.



The Facilities PMO teams value opportunities to participate in events with Supplier Diversity. These engagements play a vital role in connecting small and diverse contractors with the general contractors we already partner with. By fostering these connections, we not only broaden our network of qualified suppliers but also help contractors gain insight into SRP's operational environment and expectations."

Drew Kernaghan
Manager
Facility Construction



Interested in doing business with SRP?



REGISTER HERE

CONTACT US

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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 US Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

The Input-output multipliers are derived from a 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 wages 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 codes, 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 incomes 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](#)



Delivering water and power®

ECONOMIC IMPACT REPORT

FY25 SUPPLIER DIVERSITY

