

U.S. TelePacific Corp.	2017	G.O. #156
WMDVLGBTBE Annual Report/Annual Plan - Table of Contents		

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U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.1
Description of WMDVLGBTBE Program Activities During the Previous Calendar Year		

Pursuant to General Order 156, U.S. TelePacific Corp., Mpower Communications Corp., Arrival Communications, Inc. and DSCI LLC, all d/b/a TPx Communications (“TPx”), continues to enhance its WMDVLGBTBE Program by taking steps to improve its diverse sourcing program and spend.

- TPx has a partially automated tracking process and is continuing to improve its electronic recordkeeping capabilities, most recently by adding an additional category for LGBT to its internal tracking system.
- TPx modified its purchasing process to require that each party requesting a purchase order search the CPUC supplier database, using simple product terms and geographic location, to determine whether a diverse supplier could be asked for a quote.
 - If such a supplier can be found and a quote obtained, it must be attached regardless of whether the diverse supplier is selected. Requisitions that do not give diverse suppliers the opportunity to bid are subject to rejection.
 - Personnel within our Finance department who report purchasing information also searches the CPUC supplier database to verify whether an appropriate diverse vendor may exist.
- Letters are sent to all current suppliers describing the CPUC program, including how to get certified, and requesting information regarding any diverse suppliers and/or diverse subcontractors.
- All purchase orders are flagged at the top with: “Are you or your suppliers a minority owned business? Get certified at www.cpuc.ca.gov and let us know!”
- TPx has developed a Vendor Diversity form which is sent to all new vendors when a W9 is obtained. This form was updated to include LGBT-owned business enterprises (WMDVLGBTBEs).
- TPx has updated its internet site to include information related to the Supplier Diversity program: <https://www.tpx.com/legal/>
- TPx continues to encourage its main suppliers to include WMDVLGBTBE in their subcontracting activities and to report the results.
- TPx continues to train those tasked with seeking vendors to actively and routinely seek out qualified minority-owned, women-owned, disabled veteran-owned and LGBT-owned vendors that can provide products and services to TPx.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.2
WMDVLGBTBE Annual Results by Ethnicity		

			2017			
			Direct	Sub	Total \$	%
1	Minority Male	Asian Pacific American	\$484,215	\$0	\$484,215	0.78%
2		African American	\$0	\$0	\$0	0.00%
3		Hispanic American	\$48,622	\$0	\$48,622	0.08%
4		Native American	\$0	\$0	\$0	0.00%
5		Total Minority Male	\$532,837	\$0	\$532,837	0.86%
6	Minority Female	Asian Pacific American	\$28,390	\$0	\$28,390	0.05%
7		African American	\$0	\$0	\$0	0.00%
8		Hispanic American	\$7,179	\$0	\$7,179	0.01%
9		Native American	\$0	\$0	\$0	0.00%
10		Total Minority Female	\$35,569	\$0	\$35,569	0.06%
11	Total Minority Business Enterprise (MBE)		\$568,406	\$0	\$568,406	0.91%
12	Women Business Enterprise (WBE)		\$1,636,463	\$0	\$1,636,463	2.63%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		\$1,190	\$0	\$1,190	0.00%
15	Other 8(a)*		\$0	\$0	\$0	0.00%
16	TOTAL WMDVLGBTBE		\$2,206,060	\$0	\$2,206,060	3.54%
17	Net Procurement**		\$62,307,661			

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
Direct - DIRECT PROCUREMENT
Sub - SUBCONTRACTOR PROCUREMENT
% - PERCENTAGE OF NET PROCUREMENT

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.2
WMDVLGBTBE Direct Procurement by Product and Service Categories		

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Direct	\$454,703	1.48%	\$29,513	0.09%	\$484,215	0.78%
2		African American	Direct	\$0	0.00%	\$48,622	0.15%	\$48,622	0.08%
3		Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
4		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Direct	\$454,703	1.48%	\$78,135	0.25%	\$532,837	0.86%
6	Minority Female	Asian Pacific American	Direct	\$0	0.00%	\$28,390	0.09%	\$28,390	0.05%
7		African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Direct	\$0	0.00%	\$7,180	0.02%	\$7,180	0.01%
9		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Direct	\$0	0.00%	\$35,570	0.11%	\$35,570	0.06%
11	Total Minority Business Enterprise (MBE)	Direct	\$454,703	1.48%	\$113,704	0.36%	\$568,407	0.91%	
12	Women Business Enterprise (WBE)	Direct	\$997,273	3.24%	\$639,191	2.03%	\$1,636,463	2.63%	
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%	
14	Disabled Veteran Business Enterprise (DVBE)	Direct	\$0	0.00%	\$1,190	0.00%	\$1,190	0.00%	
15	Other 8(a)*	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%	
16	TOTAL WMDVLGBTBE	Direct	\$1,451,975	4.72%	\$754,085	2.39%	\$2,206,060	3.54%	

17	Total Product Procurement	\$30,762,008
18	Total Service Procurement	\$31,545,653
19	Net Procurement**	\$62,307,661
20	Total Number of WMDVLGBTBEs that Received Direct Sperr	26

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT

Note: Gross and net procurement are based on TPx's direct spend only (less employee, utility, carriers, rent and tax spend). The percentage calculation is derived from direct spend/net procurement.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.2
WMDVLGBTBE Subcontractor Procurement by Product and Service Categories		

TPx's internal financial tracking database does not currently report to subcontractor level.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.2
WMDVLGBTBE Procurement by Standard Industrial Categories		

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
Accounts Payable	\$	\$28,390	\$	\$0	\$6,555	0.01%			\$34,945	0.14%				\$120,712	\$15,584,044
Building Maintenance/Facilities	%	0.05%	0%						0.08%	0.14%				0.18%	
Capex	\$	\$470,535	\$48,622						\$0	\$69,232		\$1,190		\$70,422	\$2,752,714
Legal	%	1%	0.08%						0%	0.11%		0.00%		0.11%	
Maintenance	%								\$519,157	\$1,295,650				\$1,814,807	\$30,762,008
Temp Agencies/Consultants	%								1%	2%				3%	
	\$				\$0				0%	\$625				\$625	\$2,035,731
	%				0%				0%	0%				0%	
	\$	\$13,680							\$0	\$34,553				\$34,553	\$6,169,269
	%	0.02%							0%	0.06%				0%	
	\$								\$13,680	\$51,261				\$64,941	\$5,004,496
	%								0.02%	0.24%				0%	
	\$														
	%														
TOTAL	\$	\$484,215	\$28,390	\$48,622	\$0	\$0	\$6,555	\$0	\$0	\$567,782	\$1,637,088	\$0	\$1,190	\$2,206,060	\$62,307,661
	%	0.76%	0.05%	0.08%	0.00%	0.00%	0.01%	0.00%	0.00%	0.91%	2.63%	0.00%	0.00%	3.54%	

Total Product Procurement \$30,762,008
 Total Service Procurement \$31,545,653
 Net Procurement*** \$62,307,661

NOTE: FIRMS WITH MULTIPLE MINORITY OWNERSHIP STATUS
 **FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ***NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY
 % - PERCENTAGE OF TOTAL DOLLARS

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.2
Description of WMDVLGBTBEs with CA Majority Workforce		

Per G.O. #156 Sec. 9.1.2, each utility shall report the number of WMDVLGBTBEs who have the majority workforce in California to the extent such information is readily accessible. This information is not readily accessible.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.3
WMDVLGBTBE Program Expenses		

As TPx is using internal resources to set up and expand its Program, expenses for 2017 predominantly involve time of personnel in Regulatory and Finance for activities such as evaluating and modifying prior processes to identify and track covered expenditures, identifying and tracking certified WMDVLGBTBE entities with which TPx does business, identifying and modifying systems for tracking and reporting purposes, preparation of internal and external notices, time for searches using the CPUC diverse supplier database, responding to inquiries, and the development and preparation of reports and documentation.

Expense Category	2017 (Actual)
Wages	\$0
Other Employee Expenses	\$0
Program Expenses	\$0
Reporting Expenses	\$0
Training	\$0
Consultants	\$0
Other	\$0
TOTAL	\$0

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.4
Description of Progress in Meeting or Exceeding Set Goals		

TPx did not meet its voluntary target goals in 2017. TPx believes that a portion of its suppliers qualify as diverse, however are not registered with the Supplier Clearinghouse. As an example, TPx utilizes law firms who are minority and/or women owned, however they have elected not to register with the Supplier Clearinghouse for various reasons.

Some suppliers are of the opinion that the process has become more cumbersome. Suppliers have expressed concerns that the Supplier Clearinghouse is requiring confidential information that the supplier is not comfortable with providing. Suppliers have said that in the past, the Supplier Clearinghouse offered a condensed application for those with WMDVLGBTBE certificates, so the process was simpler and less invasive.

TPx continues to develop both internal and external communications and/or procedures targeting increased opportunity for diverse suppliers and specifically, reaches out to the vendors by phone to make sure they are aware of the certification process and the importance of becoming certificated with the Supplier Clearinghouse.

TPx regularly focuses on reducing expenses and providing the best value to our customers while ensuring increased spend with diverse suppliers when possible.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.4
WMDVLGBTBE Results and Goals*		

Category	2017 Results	2017 Goals
Minority Men	0.86%	2.00%
Minority Women	0.06%	1.00%
Minority Business Enterprise (MBE)	0.91%	3.00%
Women Business Enterprise (WBE)	2.63%	3.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.00%	0.00%
Disabled Veteran Business (DVBE)	0.00%	0.25%
TOTAL WMDVLGBTBE	3.54%	6.25%

% - PERCENTAGE OF NET PROCUREMENT

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.5
Description of Prime Contractor Utilization of WMDVLGBTBE Subcontractors		

TPx sends notices to all its suppliers seeking information on diverse subcontracting. TPx provides a notice regarding WMDVLGBTBE subcontracting with each Purchase Order.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.5
Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors		

TPx's internal financial tracking database does not report to subcontractor level.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.6
A List of WMDVLGBTBE Complaints Received and Current Status		

TPx is not aware of any WMDVLGBTBE complaints.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.7
Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Categories		

TPx utilized WMDVLGBTBE's with business descriptions including Legal Services, Information Technology products, and technical telecommunications products such as Ethernet, Fiber Optics and telecommunications engineering system design. TPx ensures that inquiries, materials and brochures from vendors are routed to the appropriate department for determining purchasing opportunities from DBE's. TPx continues to work with diverse suppliers not registered with the Clearinghouse to ensure that necessary documentation is filed.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 9.1.11
WMDVLGBTBE Fuel Procurement		

Not applicable.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 10.1.1
WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category		

While economic factors and influences outside the company's control affect overall purchasing decisions, TPx will seek opportunities to improve upon stated goals and the resulting accomplishments year over year.

	Short-Term 2018					Mid-Term 2021					Long-Term 2023				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDVLGBTBE
Products															
CAPEX	1.50%	1.50%	0.00%	0.10%	3.10%	3.75%	1.75%	0.00%	0.30%	5.80%	7.50%	2.50%	0.00%	0.75%	10.75%
Subtotal	1.50%	1.50%	0.00%	0.10%	3.10%	3.75%	1.75%	0.00%	0.30%	5.80%	7.50%	2.50%	0.00%	0.75%	10.75%
Services															
Accounts Payable	0.25%	0.25%	0.00%	0.00%	0.50%	0.63%	0.38%	0.00%	0.00%	1.00%	1.25%	0.50%	0.00%	0.00%	1.75%
Building Maintenance	0.25%	0.25%	0.00%	0.05%	0.55%	0.63%	0.38%	0.00%	0.15%	1.15%	1.25%	0.50%	0.00%	0.25%	2.00%
Legal Services	0.25%	0.25%	0.00%	0.00%	0.50%	0.63%	0.38%	0.00%	0.00%	1.00%	1.25%	0.30%	0.00%	0.00%	1.55%
Network/ILEC	0.50%	0.50%	0.00%	0.05%	1.05%	1.25%	0.75%	0.00%	0.15%	2.15%	2.50%	1.00%	0.00%	0.25%	3.75%
Temp Agencies/Consultants	0.25%	0.25%	0.00%	0.05%	0.55%	0.63%	0.38%	0.00%	0.15%	1.15%	1.25%	0.20%	0.00%	0.25%	1.70%
Subtotal	1.50%	1.50%	0.00%	0.15%	3.15%	3.75%	2.25%	0.00%	0.45%	6.45%	7.50%	2.50%	0.00%	0.75%	10.75%
TOTAL	3.00%	3.00%	0.00%	0.25%	6.25%	7.50%	4.00%	0.00%	0.75%	12.25%	15.00%	5.00%	0.00%	1.50%	21.50%

*The stated goals are not legally enforceable requirements or quotas of any kind and failure to meet or exceed them, or any other portion of this plan, is not subject to any penalty.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 10.1.2
Description of WMDVLGBTBE Planned Program Activities for the Next Calendar Year		

TPx continues to improve processes for obtaining WMDVLGBTBE information and for working with contractors to encourage WMDVLGBTBE subcontracting and to obtain information regarding their success. In 2018, TPx will attend small business expos conducted by the CPUC as well as the Annual GO 156 Supplier Diversity En Banc.

TPx's Compliance team will meet with TPx corporate directors and managers with purchasing responsibility to describe the high level requirements of GO 156 and will engage the team for ideas and recommendations for increasing our supply of diverse vendors.

TPx endeavors to hold quarterly meetings with internal organizations responsible for Supplier Diversity and those employees making purchasing decisions. Discussions will include best practices and action plans.

TPx will communicate and report Supplier Diversity results and performance to key business unit executives on a quarterly basis and will continue to increase company awareness of the program.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 10.1.3
Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas		

TPx continues to encourage potential uncertified WMDVLGBTBEs to apply for and maintain certification with the Clearinghouse by providing a notice regarding WMDVLGBTBE to go out with each Purchase Order. TPx plans to work with other utilities to share ideas on how to identify and lobby new WMDVLGBTBE vendors in low utilization areas.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 10.1.4
Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable		

TPx will continue to seek opportunities for the purchase of products and services and will encourage its management team to expand opportunities for WMDVLGBTBE vendors in categories for which they are available. TPx will improve contact with WMDVLGBTBE organizations and agencies within the community by attending business expos and networking with other utilities to further promote the program.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 10.1.5
Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers		

TPx provides a notice regarding WMDVLGBTBE subcontracting to go out with each Purchase Order. TPx encourages its prime contractors to identify, solicit, qualify and negotiate with prospective DBE subcontractors. The award of subcontracts are at the sole discretion of the prime contractor.

U.S. TelePacific Corp.	2017	G.O. #156 Sec. 10.1.6
Plans for Complying with WMDVLGBTBE Program Guidelines		

TPx is utilizing the California Public Utilities Commission website and following established guidelines for the Supplier Diversity program. TPx will continue to monitor any changes to the program guidelines to ensure continued compliance.

Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification

Not applicable.

Annual Power Product Results by Ethnicity and WMDVLGBTBE Certification

Not applicable.