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Verizon Avenue

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PUBLIC UTILITY COMMISSION
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December 26, 2002

Office of the Secretary
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711

26715
RE: Annual Reporting Requirements Workforce Diversity Annual Reporting

Dear Sir or Madam:

Following you will find an original and one copy of Verizon Avenue Corp d/b/a Verizon Avenue's Workforce Diversity Annual Report.

Please date-stamp a copy of the filing letter and return the copy to me in the enclosed, postage-paid envelope. An extra copy has been provided for this purpose. If you have any questions please call me directly at (847) 582-8723

Sincerely,



Bonnie J. Rogalski
Manager – Regulatory

BJR/kas

[illegible]

WORKFORCE AND SUPPLIER DIVERSITY FORM

Actual = [Total HUB(6) procurement + Total Small Business procurement]/Total Company procurement		Actual for Previous FY	Actual for Current FY	Percentage change
Construction Contracts (1)		Data not recorded	0	
Commodities Contracts (2)		Data not recorded	1	
Other Services (3)		Data not recorded	5	
Professional Services Contracts (4)		Data not recorded	1	
Major Equipment (5)		Data not recorded	0	
Other		Data not recorded	1	

(1) **Construction** -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstruction, installations, repairs, remodeling, renovating, and repair of office buildings. Heavy construction other than buildings such as pipelines, communication and power lines, sewer and water mains, asphalt and concrete construction of roads, trenching, cable laying, conduit construction, land clearing and leveling.

(2) **Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

(3) **Others Services** -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services. Examples include audio/visual, staffing services, landscaping, forestry, tree trimming, art and decorative services, janitorial, travel/lodging, automotive repair, and photography.

(4) **Professional Services** -- Contracted professional services which include legal, consulting, health, engineering, accounting, advertising/marketing, architectural, real estate, computer services, research and analysis, education/training, insurance, surveying services, weather services, environmental, financial, etc.

(5) **Major Equipment** -- Includes all major equipment purchases and rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, heavy construction equipment, fleet requirements, etc.

(6) **HUB** -- Business enterprises that are 51% owned and controlled by U.S. citizens who are socially disadvantaged because of their identification as members of certain groups, including African-American, Hispanic, Native American, or Asian Pacific and Women as defined in the Texas Government Code § 481.101(1).

(7) **Other** -- Any commodity or service not covered by the above categories.

WORKFORCE AND SUPPLIER DIVERSITY FORM

Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:

- 1.) Implemented Diversity Awareness Training for all management and above employees
- 2.) Incorporated Diversity vision in to New Hire Orientation
- 3.) Implemented a Diversity web site on the company intranet
- 4.) Monthly reporting on workforce make-up, including race, gender, and age
- 5.) Implemented Spanish language materials for both marketing and recruiting purposes
- 6.) Continued Diversity Mentoring Program with participation from all Directors and above as mentors, paired with diverse mentees
- 7.) Partnered with minority organizations and recruiting agencies to increase pool of diverse qualified candidates
- 8.) Established partnerships with Historically Black Colleges/Universities (HBCU) and Universities in Puerto Rico to introduce diverse high potential candidates to the organization for consideration for job openings
- 9.) Sponsored summer interns from diverse backgrounds in career development opportunities with manager and director level mentors for each participant

WORKFORCE AND SUPPLIER DIVERSITY FORM

Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:

- 1.) Diversity Awareness Training: Approximately 90% of managers and above participated in diversity training, covering the impact of diversity on the bottom line of diversity on our business, the effects of discrimination on productivity, and how to manage a diverse workforce.
- 2.) New Hire Orientation: Approximately 85% of new hires received information on the company's diversity vision and initiatives as part of their introduction to the organization.
- 3.) Diversity Web Site: The web site was a vehicle of communication and education around diversity and Verizon Avenue-specific initiatives. Although the site was a great resource, limited publication of its existence rendered it highly underutilized.
- 4.) Monthly Diversity Reporting: The reports served as a useful tracking mechanism for monitoring the success of our recruiting efforts and commitment to increase the diversity of the workforce.
- 5.) Spanish Language Collateral: The implementation of Spanish language materials addressed a specific need for our current customer base, as well as reinforced our commitment to increased representation of Hispanics within our workforce. In 2002 the number of Hispanics hired increased 70% over the 2001 figure.
- 6.) Mentoring Program: Approximately 100% of directors and above mentored 2-3 mentees, at least one of which was ethnically diverse and/or female. This initiative produced positive, though inconsistent results, i.e. either the pairs were engaged and the relationship was very successful or there was little to no contact between mentor and mentee.
- 7.) Diversity Recruiting: Partnerships with recruiting service agencies did not produce the desired results. While VZA did successfully hire and promote at a rate of 50% of total new hires/promotions being minorities and/or women, these hires were not a direct result of relationships with designated recruiting agencies.
- 8.) HBCU and Puerto Rico University Partnerships: Though partnerships with these institutions did contribute significantly to our summer intern hires, the direct hire of full time employees was minimal. This can be contributed to this being the year of establishment for these partnerships and the absence of time need to build the relationships needed with these schools in order to get top quality candidate recommendations.
- 9.) Summer Intern Program: The 2002 summer intern program was very successful. With 75% of interns being identified through relationships with HBCU and Puerto Rico partner schools, the positive feedback from both managers and student participants served to establish the commitment of Verizon Avenue to student

WORKFORCE AND SUPPLIER DIVERSITY FORM

development and to win the trust of partner school representatives. Thus the success of the partnerships (initiative #5) was enhanced and created the needed foundation for the identification of qualified and talented full time candidates.

WORKFORCE AND SUPPLIER DIVERSITY FORM

Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:

Verizon Avenue will continue and build upon many of the initiatives launched during 2002. With a year of dedicated initiatives and experience behind us, we are looking forward to enhancing and creating new opportunities to expand and capitalize on the diversity of our organization. Some of the additions to our diversity initiatives will include:

- Diversity Awareness Training for all non-management employees
- Increased and more in depth diversity training offerings for management and above, including “Valuing Diversity,” “Managing a Diverse Workforce,” and “The Financial Impact of Diversity”
- Implement new structure for the mentoring program, with a goal of increased participation and employee development
- Increased communication around and involvement of the larger organization in diversity initiatives (current initiatives are driven by Human Resources and the Verizon Avenue Diversity Council), as well as publicize existing resources, e.g. the Diversity Web
- Leverage strategic partnerships, including college/university partnerships, as well as alliances with community organizations
- Implement on-line supplier diversity program to increase contracting opportunities for small and historically underutilized businesses, as well as for MBWE vendors and contractors

WORKFORCE AND SUPPLIER DIVERSITY FORM

State the specific progress made under the plan filed by the utility:

As this is the first year that Verizon Avenue has reported with the Texas Commission, there is no previously filed plan from which to site progress. Our efforts toward diversifying our workforce and toward creating opportunities for small businesses and minority vendors are captured in the information given above.