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Project 30240
Qwest Communications International
Workforce and Supplier Diversity Plan and Reports on Five-Year Plan to Enhance
Supplier and Workforce Diversity Docket No. 23411
December, 30, 2004

Section I. Policy Workforce Diversity

Qwest Communications International, Inc., affirms its commitment and pledges its full support to employment opportunity for all persons and has implemented the following policy:

Policy:

Qwest supports equal employment opportunity. Qwest prohibits discrimination and harassment against any employee or applicant for employment because of his/her race, color, gender, age, sexual orientation, religion, national origin, disability, covered veteran status or any other classification for which discrimination is prohibited by law in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. Employees must promote a workplace free of unlawful discrimination and harassment.

Qwest is also committed to a policy of compliance with applicable affirmative action requirements relating to the employment of minorities, women, qualified individuals with disabilities, and "covered veterans."

A violation of this policy can occur even when conduct does not rise to the level of unlawful discrimination or harassment. This policy is not designed or intended to limit Qwest's authority to discipline or take remedial action for conduct in the workplace that is, in Qwest's sole discretion, determined to be unacceptable. Qwest will not tolerate behavior in violation of this policy whether displayed by or towards employees, customers, vendors/suppliers, visitors, or other non-employees. This policy also applies in situations where employees are acting in a business capacity away from the workplace.

All employees must comply with this policy. Furthermore, all employees are expected to report alleged violations of this policy to the Corporate Compliance Advice Line (800-333-8938), Human Resources, or their supervisors. Managers and supervisors have special responsibilities with respect to the Non-Discrimination Policy. Not only must

managers and supervisors know the policy and conduct themselves in a manner consistent with it, they are also responsible for establishing and promoting a work environment free of discrimination/harassment based on any of the foregoing classifications. They must *identify* and *immediately report* to the Corporate Compliance Advice Line, Human Resources or their supervisors suspected incidents of discrimination/ harassment, regardless of whether the conduct occurred within their workgroup or area of responsibility. Managers must also support investigations of alleged discrimination/harassment and related disciplinary processes.

It is unlawful and a violation of this policy to retaliate against an employee for filing a complaint of discrimination/harassment based on any of the foregoing classifications, or for participating in an investigation of discrimination/harassment.

Compliance with this policy is mandatory and subject to audit. Failure to comply may result in disciplinary action, up to and including immediate termination of employment.

If you believe you have been subjected to discrimination/harassment based on any of the foregoing classifications or have questions about this policy, or questions about affirmative action at Qwest, contact the Corporate Compliance Advice Line (800-333-8938), Human Resources, or your supervisor. Internal complaints may also be mailed to EEO Dispute Resolution, Room 3800, 1801 California, Denver, Colorado 80202 or faxed to EEO Dispute Resolution at (303-672-2922).

Workforce Diversity Plan

Qwest Communications International, Inc., will continue to seek and investigate new sources for qualified minority and female candidates. Those responsible for recruitment and selection will continue to be advised of the Company's diversity goals. The following methods may be used to improve recruitment and increase minority and female job candidates:

1. Professional and community organizations will be contacted to increase female and/or minority applicants.
2. Potential recruiting sources will be contacted and supported in various ways including briefing sessions, facility tours, and presentations by minority and female employees.
3. The Company will actively campaign among its minority and female employees to have them encourage their friends and associates who possess the requisite skills to apply for positions at the Company. The Company has an active and formal employee referral program which is called Talent Qwest.
4. The inclusion of minorities and women on the recruiting staff.
5. Minority and female participation in career days, youth motivation programs and other similar programs in the community.
6. Minority and female participation in "job fairs."
7. Advertising of open positions will be extended to include the minority news media and women's interest media. This may include newspapers and professional publications. Advertising includes the indication that the

Company is an equal employment opportunity/affirmative action employer. Job positions are also located on the company's Internet site with instructions on applying for specific open positions.

8. When contacting referral agencies, those agencies may be requested to seek out and refer both minorities and females.

Qwest Communications International, Inc., will continue to make training and job opportunities available to Qwest minority and female employees.

Training:

Qwest University makes available all management and employee development classes through web based training. These innovative courses give participants and opportunity to gain experience by practicing real-world situations in virtual environments. Training is oriented toward the application of skills and is developed so students actively participate as they learn.

The Qwest Educational Assistance Plan provides employees with a tuition reimbursement plan allowing continued education...

Internal Posting of Positions:

Position openings are listed in a central location in the Company's corporate office and are available to all employees. Employees are advised of the locations of these listings. Job listings are included on the Company's Internet site. Employees are encouraged to apply for promotion or transfer opportunities.

Employee Assistance Program:

The Employee Assistance Program, EAP, is designed to assist employees and their families work through problems that may be affecting their life in a negative way. The EAP's role is to help define the problem, organize the appropriate resources to help solve the problem, and ultimately follow through with these plans once they are in place. The program, a free service, is accessible seven days a week, 24 hours a day. Counseling services are provided by telephone, web site, and in person.

Section II **Supplier Diversity Plan**

Introduction

At Qwest, we understand our markets and the role supplier's play in helping us achieve competitive advantage. Minority, Women, and Disabled Veteran-owned Business Enterprises (MWDVBEs) are a valued part of our team and integral to our bottom line success.

Today, Qwest is fast becoming a data-centered communications company, offering a wide array of products and services ranging from wireless, Internet, data and video, to long distance and voice connections. As we continue to develop innovative and integrated services, we will continue to rely on our diverse supplier network to help us connect more than 25 million residential and business customers to the services and products they need. This is more than a commitment or strategy. It's smart business.

Vision

The Supplier Diversity group, as an integral part of the Procurement and Supply Chain organization at Qwest, ensures the inclusion of diverse suppliers in the procurement process.

Mission

The Supplier Diversity group adds value to Qwest through the utilization of Minority, Women, and Disabled Veteran-owned Business Enterprise (MWDVBE) suppliers. Through the Procurement process, we will provide opportunity of inclusion, sustain direct and indirect MWDVBE spend growth, grow Qwest market share, increase customer loyalty and enhance awareness and exposure for Qwest among diverse communities.

Procurement Policy

Qwest should receive the greatest possible benefit when purchasing products and services to meet its business needs. Procurement strives to meet customer needs while balancing cost, timeliness, quality, technical suitability, legal requirements, and other business considerations when performing its procurement duties. All applicable laws, rules and regulations must be adhered to in the procurement of products and services.

The supplier selection process shall give due consideration to the inclusion of qualified, certified, Minority/Women/Disabled Veteran Business Enterprises. It is not the policy of Qwest to provide "set aside" or "give away" programs for any suppliers.

All Qwest entities are to implement this policy in accordance with recognized standards of business conduct, and the Qwest Corporate Compliance Program. Employees involved in the procurement process must consult with Procurement for detailed information related to the interpretation and administration of this policy.

Procurement, in conjunction with the applicable business unit, Legal Affairs, and any applicable technical support groups (e.g., Risk Management for environmental/health/safety risks), will coordinate the procurement of products and services for Qwest, including the sourcing of contracts, where appropriate. Managing the sourcing includes working in concert with the business unit in the evaluation and selection of the supplier and the negotiation of the terms of the associated contract.

Employees may not direct the source of procurement without consideration of other possible suppliers. The Vice President of Procurement must approve any direct source procurement over \$250,000. Disagreements regarding supplier selection or contract terms may be escalated to the VP of Procurement who will work to resolve the issues with an office of the applicable business unit and Legal affairs, as necessary.

Compliance with this policy is mandatory and subject to audit. Failure to comply may result in disciplinary action, up to and including termination of employment (see policy 202 – Discipline).

Supplier Diversity Plan

It is imperative that the QWEST business units fully embrace the Supplier Diversity initiative in order to increase MWDVBE participation as demonstrated by officer reported and business unit support in the RFX processes.

This high level strategic plan addresses the integration of Supplier Diversity into the business units through education, communication, involvement and recognition. Supplier Diversity managers will be the key points of contact to support and implement the plan.

Target

- Business units will clearly articulate the QWEST Supplier Diversity business initiative to their employees and to their suppliers.
- Business units will embrace the Supplier Diversity process, seeking out and using certified MWDVBES.
- Business units will consider MWDVBES before sole sourcing purchase from non-MWDVBE suppliers.
- Business units will require MWDVBES in RFX distribution lists.
- Business units will increase MWDVBE spending as indicated in the quarterly office reports.
- Business units will participate in community events.
- Business units will communicate successes when using MWDVBES that have provided exception price, quality and service.

Proposal

- The target will be achieved through education.
- The target will be achieved through involvement.
- The target will be achieved through communication.

MWDVBE Supplier Business Opportunities

Qwest and its prime suppliers have various opportunities for Minority, Women and Disabled Veteran-Owned Businesses. MWDVBES are encouraged to check listings frequently since opportunities are updated as they occur.

Qwest requires all current and potential MWDVBE suppliers to provide a valid MWDVBE certificate, company marketing information and a Supplier Diversity Information Form.

Please understand the submittal of requested documentation and the subsequent evaluation process is not an offer or guarantee of work.

Additionally, MWDVBE suppliers must be in compliance with Qwest's policies and procedures, and the following information should be reviewed:

- **MWDVBE Application Information**
- **Certification Verification Process**
- **Minority, Women and Disabled Veteran-Owned**
- **Business Definitions**

MWDVBE Action Objectives

We want MWDVBE suppliers who are interested in doing business with Qwest to:

- **Contact Supplier Diversity if they have a product or service that can help Qwest improve service and process delivery and reduce costs.**
- **Understand Qwest is committed to Supplier Diversity and has an outstanding track record.**
- **Communicate return of investment about Supplier Diversity business objectives.**

We want local chambers and minority and women and disabled veteran' community to:

- **Recognize Qwest as leader for Supplier Diversity.**
- **Recognize Qwest and Qwest employees for contributions to the economic development of minority, women-and disabled veteran-owned firms.**
- **Positively position Qwest on issues that impact community perception.**

We want the media to:

- **Publish and air stories featuring Supplier Diversity and current suppliers.**
- **Contact Qwest Supplier Diversity for information about the initiative.**
- **Understand Qwest is committed to Supplier Diversity and has an outstanding track record.**
- **Provide balanced, fair reporting.**

We want employees to:

- **Understand Qwest is committed to Supplier Diversity.**
- **Understand that this is a business strategy, not a give-away program.**
- **Be able to speak to the value the initiative brings to the business and our communities.**

Qwest Supplier Diversity and Subcontract Report

All non-MWDVBE Suppliers, with whom Qwest has a yearly contract of \$1 million or more that do not have a minimum of 5% yearly total dollar spend commitment with MWDVBEs must submit a Subcontracting Plan. The Subcontracting Plan shall contain, at a minimum, the following components:

All Prime suppliers must submit a Subcontracting Plan. The Subcontracting Plan shall contain, at a minimum, the following components:

1. Total dollars to be subcontracted to MWDVBE businesses or the percent of MWDVBE dollars to total awarded dollars.
2. Description of method used to identify MWDVBE sources.
3. Name, address, phone number, and duties of administrator of Prime supplier.
4. Monthly/Quarterly/Yearly, or as required, written report submitted by the Prime supplier to the Supplier Manager by the January 30th of each year, which includes:
 - The Subcontracting Report Form that details the actual results of the subcontracting plan;
 - The Subcontract Direct and Indirect Report;
5. Documentation that all MWDVBE subcontractors are bona fide through the Prime supplier's documented certification process.
6. Description of Prime supplier's certification process and criteria to authenticate the MWDVBE status of its subcontractors. Qwest prefers certification from:
 - National Minority Supplier Development Council (NMSDC) and its affiliates
 - Women's Business Enterprise National Council (WBENC)

Although Qwest prefers certification from the above listed agencies, we will grandfather in certifications from the Small Business Administration's 8(a) program (SBA) or other approved governmental agencies. **Qwest does not accept any form of self-certification.**
7. Assurance that the Prime supplier's certification process and its application to supplier's MWDVBE subcontractors will be open to Qwest audits.
8. Provide record retention:
 - Source lists for MWDVBE firms
 - Organizations contacted
 - Record to support award data

Results and progress under Supplier Diversity initiative:

Ninety-Two certified MWDVBES located in Texas are listed in the Supplier Diversity database for consideration for business opportunities. They are:

| Supplier Name | |
|---|---|
| 3TECH CORP | INTELLIDI, INC. |
| ACR QUALITLY COMMUNICATIONS INS ^T INC. | INTELSERV INC. |
| ADVANCED RESIDENTIAL CREDIT INC. | KST ELECTRIC, LTD |
| AMER TECHNOLOGY INC. | LAKEVIEW VENTURES INC (DBA LONE STAR D |
| AMERICAN HOUSEKEEPING | LAZO TECHNOLOGIES |
| AMERICAN SERVICE SYSTEMS CORP | LBI ELECTRO OPTICS CORPORATION |
| APPLIED DATA RESOURCES INC. | LEGAL WATCH, INC. |
| AVALON CORPORATE HOUSING | LINK AMERICA |
| AZTEC COMMUNICATIONS INC. | LONE STAR DIRECT |
| AZTEC FACILITY SERVICES | MAGRABBITT, INC. |
| BALT, INCORPORATED | MARFIELD, INC. |
| BATAVIA SERVICES | MARTIN PROCESS SOLUTIONS, INC. |
| BEHRAM CONSULTING ENGINEERS | MCCASTLAIN & COMPANY INC. |
| BEST RIGHT MANUFACTURING | MI SYSTEMS |
| CHASECOM LIMITED PARTNERSHIP | ML MURPHY & ASSOCIATES |
| CMS FACILITIES MANAGEMENT | NATIONWIDE TECHNOLOGY INSTALLATION SI |
| COMTEK TELECOM LLC | INC. |
| CUNA COMMUNICATIONS, LLC | NETWORK PROFESSIONALS |
| DESIGN CENTER | NEUTRAL POSTURE ERGONOMICS INC. |
| DISCIPLINED CTI SOLUTIONS | NINO CORPORATE LODGING, INC. |
| DOC 2E-FILE INCORPORATED | OMEGA RISK GROUP INC. |
| DYNAMIC SOURCES, INC. | OPERATIONAL TECHNOLOGIES |
| EDUCORP TRAINING & CONSULTING | OPTICAL & TELECOMMUNICATION (DBA OREN |
| EPV GROUP | TELECOM) |
| EXPORT TRADING | PARAGON PROJECT RESOURCES INC |
| FACILITY INTERIORS, INC. | PENCO COMPANY (THE) |
| FULFILLMENT PLUS, INC. | PERFORMANCE SOLUTIONS |
| GARCOM INC | PLANNING PROFESSIONAL LTD |
| GOODMAN NETWORKS | PRO CONSULTING SERVICES INC. |
| GRUV-ON | PROGRESSIVE PROJECT CONCEPTS INC. |
| HARVARD MANUFACTURING TEXAS | QNET INC. |
| HOGAN'S PAPER COMPANY | QPC TELESERVICES |
| IMPRENTA SERVICES INC. | QUEST BUSINESS AGENCY, INC. (THE) |
| INDOOR AIR QUALITY SERVICE | RED SALSA TECNOLOGIES |
| INNOVATIVE PBX SERVICES, INC. | RONSON COMMUNICATION & INFORMATION (I |
| | SAI SOFTWARE CONSULTANTS, INC. |
| | SALISBURY GOUP, INC. (THE) |
| | SIGNATURE CARD, INC. |
| | SNF, INC. (FIBRE BODY INDUSTRIES, INC.) |
| | SOFTWARE PROFESSIONALS INC. |
| | SOUND VIDEO INNOVATIONS |
| | SPRINT PRESS INC. |
| | STRATEGIC SYSTEMS AND PRODUCTS CORPOF |
| | SUNBELT TELECOMMUNICATIONS, INC. |
| | SUPERIOR SUPPORT COMPANY |
| | SYNTEC CORPORATION |

TELTRONICS INC.
TEXAS LEASING COMPANY
THE SALISBURY GROUP, INC.
TOTAL TELECOM SYSTEMS, INC.
US COURIER, INC.
UTILITY TECHNOLOGY SUPPLY
VETCO SALES INC.
VETERAN COMMUNICATIONS INC

VISION SYSTEMS LLC
VISUAL INNOVATIONS COMPANY
WARREN ELECTRIC GROUP, LTD.
WILLRICH SCOTT CONSULTING GROUP, INC. (T
XTEL

As of the end of this report period there are three MWDVBE companies in Texas that Qwest is currently doing business with in Texas. They are: Mastec North America, EPV Group, and Teltronics Inc.

* Total HUB Certified - - 17 companies

WORKFORCE AND SUPPLIER DIVERSITY FORM
WORKFORCE DIVERSITY

| Occupational Categories | NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR | | | | | | | | | | | | | |
|---------------------------|--|----------------|--------|-----------|--------|---------------------|--------|----------|--------|-------|--------|-----------------|--------|--|
| | Combined Total | Company Totals | | Caucasian | | African American | | Hispanic | | Asian | | American Indian | | |
| | | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | |
| | | | | | | | | | | | | | | |
| Officials and Managers | 17 | 7 | 10 | 7 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Professionals | 34 | 22 | 12 | 18 | 9 | 1 | 0 | 3 | 3 | 0 | 0 | 0 | 0 | |
| Technicians | 78 | 65 | 13 | 51 | 4 | 4 | 1 | 8 | 4 | 2 | 4 | 0 | 0 | |
| Sales Workers | 108 | 81 | 27 | 71 | 23 | 4 | 0 | 5 | 2 | 1 | 2 | 0 | 0 | |
| Office and Clerical | 21 | 2 | 19 | 1 | 9 | 0 | 1 | 1 | 9 | 0 | 0 | 0 | 0 | |
| Craft Workers (Skilled) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Operatives (Semi-skilled) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Laborers (Unskilled) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Service Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Previous Year Totals | 0 | 0 | 0 | | | | | | | | | | | |
| This Year Totals | 258 | 177 | 81 | 148 | 55 | 9 | 2 | 17 | 18 | 3 | 6 | 0 | 0 | |