



Control Number: 30240



Item Number: 202

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Kerrville Telephone Company

P.O. Box 290130
Kerrville, Texas 78029-0130

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PUBLIC UTILITY COMMISSION
FILING CLERK

REPLY TO: 400 West 15th Street, Suite 440
Austin, Texas 78701
512.457.9949 Voice
512.457.9991 Facsimile
dbarbosa@valortelecom.com

January 24, 2005

Courtney Todd, Clerk
Central Records
PUBLIC UTILITY COMMISSION OF TEXAS
1701 North Congress Avenue
Post Office Box 13326
Austin TX 78711-3326

Re: PROJECT NO. 30240
Workforce Diversity Reports - 2004
Kerrville Telephone Company

Dear Mrs. Todd:

Enclosed for filing in the referenced project number are 4 copies of Kerrville Telephone Company's Workforce Diversity Report for 2004. Please note that this report includes numbers for Kerrville Telephone Company and Valor Telecom.

Should you have any questions regarding this report, please feel free to contact me at the address and/or telephone number listed above.

Sincerely,



Dianne E. Medina Barbosa
Regulatory Paralegal

Enclosures: as stated

Public Utility Commission of Texas
Attn: Courtney Todd, Clerk
Project No. 30240 - Workforce Diversity Report
Kerrville Telephone Company

January 24, 2005
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Cc w/cc enclosure:

Governor Rick Perry
P.O. Box 12428
Austin TX 78711

Lieutenant Governor David Dewhurst
P.O. Box 12068
Austin TX 78711

Speaker Tom Craddick
P.O. Box 2910
Austin TX 78768

The Honorable Garnet Coleman
Chairman, Legislative Black Caucus
P.O. Box 2910
Austin TX 78768

The Honorable Juan "Chuy" Hinojosa
Chairman, Texas Senate Hispanic Caucus
P.O. Box 12068
Austin TX 78711

The Honorable Pete Gallego
Chairman, Mexican American Legislative Caucus
P.O. Box 2910
Austin TX 78768

**WORKFORCE AND SUPPLIER DIVERSITY FORM
HUB & SMALL BUSINESS PROCUREMENT AS A PERCENTAGE OF TOTAL COMPANY PROCUREMENT**

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	195	131	64	116	47	5	9	9	8	1	0	0	0	
Professionals	184	107	77	85	61	6	7	11	4	5	5	0	0	
Technicians	177	160	17	129	11	7	2	16	2	0	0	8	2	
Sales Workers	45	11	34	10	23	0	1	1	9	0	0	0	1	
Office and Clerical	476	61	415	45	197	6	120	10	90	0	4	0	4	
Craft Workers (Skilled)	318	316	2	249	1	12	1	39	0	1	0	15	0	
Operatives (Semi-skilled)	17	17	0	13	0	0	0	2	0	1	0	1	0	
Laborers (Unskilled)	2	2	0	2	0	0	0	0	0	0	0	0	0	
Service Workers	1	1	0	1	0	0	0	0	0	0	0	0	0	
Previous Year Totals	0	0	0											
This Year Totals	1415	806	609	650	340	36	140	88	113	8	9	24	7	

NOTE: Double-click on embedded Excel chart to open. Click on a cell or use arrow keys to select an occupational category and ethnic group to update workforce diversity numbers. Do not enter information in Combined Total and Company Totals columns or the This Year Totals row as these will update automatically. Cells left blank will be counted as zero. Click anywhere outside of chart to exit.

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)		0.148	%
Commodities Contracts (2)		0.1	%
Other Services (3)		0.108	%
Professional Services Contracts (4)		0.118	%
Major Equipment (5)		0	%
Other (7)		0.11	%

(1) **HUB** -- Pursuant to Texas Government Code § 481.191(4), HUB means: (A) a corporation formed for the purpose of making a profit in which at least 51 percent of all classes of the shares of stock or other equitable securities is owned by one or more persons who are members of certain groups, including black Americans, Hispanic Americans, women, Asian Pacific Americans, and American Indians; (B) a sole proprietorship formed for the purpose of making a profit that is 100 percent owned, operated, and controlled by a person described by Paragraph (A) of this subdivision; (C) a partnership formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by Paragraph (A) of this subdivision. Those persons must have proportionate interest and demonstrate active participation in the control, operation, and management of the partnership's affairs; or (D) a joint venture in which each entity in the joint venture is a historically underutilized business under this subdivision.

(2) **Small Business** -- Pursuant to Texas Government Code § 481.191(6), Small Business means a corporation, partnership, sole proprietorship, or other legal entity that: (A) is domiciled in this state; (B) is formed to make a profit; (C) is independently owned and operated; and (D) employs fewer than 100 full-time employees.

(3) **Construction** -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstructions, 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.

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

(5) **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.

(6) **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.

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

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

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

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

VALOR and its affiliate, KERRVILLE TELEPHONE COMPANY ("KTC") have taken steps to continue the implemented Supplier Diversity Plan. Expenditures with Minority Women Business Enterprise (MWBE) are being monitored throughout all departments, and MWBE firms have been identified.

Our Policy adopted by the Board of Directors is very stringent on the inclusion of MWDVBE suppliers in all contract and non-contract work.

All materials and services must obtain a minimum of 3 bids with at least one of those bids coming from a qualified MVDVBE supplier.

VALOR & KERRVILLE have 6 diversity supply coordinators that focus within their groups on supplier diversity initiatives. Training insures that policies are being adhered to.

Initiatives:

Attract, hire, and retain a diverse workforce with the education, skills, and experience necessary to provide our customers with unparalleled service and support.

VALOR & KTC Telecommunications is making proactive efforts to contract with historically underutilized businesses for the procurement of goods and services, particularly when such businesses operate within the communities in which VALOR & KERRVILLE provide service. Because of our commitment to utilize businesses within the communities VALOR & KERRVILLE serve, VALOR & KTC also strive to utilize small businesses other than those defined as historically underutilized.

Programs and activities to achieve initiatives:

Programs and activities related to our commitment to attract, hire, and retain a diverse workforce are listed below.

VALOR & KERRVILLE have identified and established relationships with minority search firms.

Our Company is identified as an Equal Employment /Affirmative Action employer (M/F/H/D/V) in all employment ads placed in newspapers or other publications.

VALOR & KERRVILLE have identified and formed relationships with local organizations that emphasize minority or female membership, and communicated through them employment opportunities within the Company.

VALOR & KERRVILLE have advised current and potential suppliers of the Company's commitment to a diverse workforce and supplier base by sending written notification of the Company's Equal Employment Opportunity Policy and policy regarding the utilization of historically underutilized businesses.

VALOR & KERRVILLE have requested of our contractors, who do not have a supplier diversity plan in place, to establish goals and increase minority business participation.

Supplier Diversity information and applications are available on the VALOR & KTC site.

VALOR & KERRVILLE have identified and are forming relationships with organizations that emphasize minority or female membership and communicate through them business opportunities with the Company.

**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

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

Please refer to the attached HUB and Workforce Diversity Reports. These include VALOR & KTC

VALOR's goal is to spend 15-25% of its overall expenditures with MWDVBE suppliers. Since opening in 2000, Valor has successfully accomplished this goal.

(3) 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:

VALOR & KTC will continue its programs and initiatives to attract, hire and retain a diverse workforce, through the use of minority search firms, proactive recruitment, through job fairs and outreach at colleges and universities, and through our VALOR & KERRVILLE site.

VALOR & KTC will continue to actively endorse its diversity policy with its workforce and suppliers.

VALOR & KTC will continue to monitor its expenditures, all of their suppliers' expenditures, with MWBE firms. It will update and add MWBE information in its vendor database.

VALOR & KTC will continue to ensure that the supplier diversity responsibilities of the Purchasing Department and the departmental Supplier Diversity Coordinators are reinforced. And, it will provide the necessary tools, such as training, reporting, Inter- and Intranet access.

VALOR's policy states that a minimum of 3 bids will be obtained for all equipment and services, and at least one of those bids must be obtained through an MWBE supplier.

(4) State the specific progress made under the plan filed by the utility:

VALOR & KTC's Supplier Diversity program has made great strides by proactively identifying MWBEs among VALOR & KTC's vendors, encouraging its prime contractors to implement a supplier diversity plan, and training its workforce to implement its diversity policy.

- **Goal Accomplished – 15-25% of total expenditures was to MWDVBES**
- **Employee Incentive program was established for compliance.**
- **Six individuals actively participate on Diversity Supply Committee.**