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SPRINT COMMUNICATIONS COMPANY, L.P. WORKFORCE AND SUPPLIER DIVERSITY FORM

WORKFORCE DIVERSITY

Docket Nos. 30238 and 30240

| Occupational Categories   | Combined Total | NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR |        |           |        |                  |        |          |        |       |        |                 |        |
|---------------------------|----------------|--------------------------------------------------------|--------|-----------|--------|------------------|--------|----------|--------|-------|--------|-----------------|--------|
|                           |                | Company Totals                                         |        | Caucasian |        | African American |        | Hispanic |        | Asian |        | American Indian |        |
|                           |                |                                                        |        |           |        |                  |        |          |        |       |        |                 |        |
|                           |                | Male                                                   | Female | Male      | Female | Male             | Female | Male     | Female | Male  | Female | Male            | Female |
| Officials and Managers    | 427            | 240                                                    | 187    | 150       | 96     | 36               | 53     | 48       | 33     | 4     | 4      | 2               | 1      |
| Professionals             | 762            | 422                                                    | 340    | 260       | 193    | 66               | 89     | 56       | 39     | 39    | 17     | 1               | 2      |
| Technicians               | 258            | 204                                                    | 54     | 73        | 19     | 28               | 9      | 100      | 24     | 2     | 2      | 1               | 0      |
| Sales Workers             | 1375           | 908                                                    | 467    | 320       | 137    | 151              | 73     | 395      | 245    | 40    | 12     | 2               | 0      |
| Office and Clerical       | 1678           | 576                                                    | 1102   | 205       | 320    | 228              | 533    | 123      | 232    | 20    | 12     | 0               | 5      |
| Craft Workers (Skilled)   | 14             | 13                                                     | 1      | 11        | 1      | 0                | 0      | 1        | 0      | 0     | 0      | 1               | 0      |
| Operatives (Semi-skilled) | 0              | 0                                                      | 0      | 0         | 0      | 0                | 0      | 1        | 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      | 5497           | 2731                                                   | 2766   | 1206      | 1000   | 629              | 999    | 783      | 703    | 105   | 53     | 8               | 11     |
| This Year Totals          | 4514           | 2429                                                   | 2151   | 1020      | 766    | 509              | 757    | 723      | 573    | 105   | 47     | 7               | 8      |

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.

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

| Actual % = [Total HUB(1) procurement + Total Small Business(2) procurement]/Total Company procurement |  | Actual % for Previous FY | Actual % for Current FY | Percentage Change |
|-------------------------------------------------------------------------------------------------------|--|--------------------------|-------------------------|-------------------|
| Construction Contracts (3)                                                                            |  |                          |                         |                   |
| Commodities Contracts (4)                                                                             |  | 1.3%                     |                         |                   |
| Other Services (5)                                                                                    |  |                          |                         |                   |
| Professional Services Contracts (6)                                                                   |  |                          |                         |                   |
| Major Equipment (7)                                                                                   |  |                          |                         |                   |
| Other (8)                                                                                             |  |                          |                         |                   |

(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) employees fewer than 100 full-time employees.

(3) **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.

(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) **Other 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 ad rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, 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:**

Sprint's subcontracting goals are based upon projected procurement dollars available for Small Business participation as well as past procurement history.

Major purchases made by Sprint are researched, negotiated and monitored, by the Procurement organization, headquartered in Overland Park, Kansas, in partnership with the Business Unit requiring the product or service. The Supplier Diversity program is housed under the Procurement organization to ensure that diverse suppliers are considered during every step of the procurement process. Supplier Diversity and entire Procurement Department have access to Sprint electronic database (Emptoris) that houses Small Business company information and certifications that allows for tracking and sourcing opportunities from initiation to completion. During the analysis phase of preparing a Request for Proposals (RFP), the sourcing team develops a list of suppliers that are qualified to fulfill the service or contract under consideration. The team queries the database to create a list of eligible diverse suppliers to include in the opportunity.

To achieve best prices and delivery possible in its procurement, Sprint employs an e-purchasing tool in effecting a portion of its purchases. The procurement and tracking system assists buyers to source and utilize Small Businesses. This procurement process allows Sprint to offer its customers, including the Government, competitive prices in the sale of products/services. Sprint will continue to promote and grow this program throughout the company by:

- Increasing our efforts to locate and procure more services/products from SDVOSB and HubZone businesses
- Offering mentoring and relationship building to help suppliers navigate the process to become a qualified supplier;
- Support Small Businesses through scholarship opportunities.
- Require major suppliers to incorporate second tier arrangements with diverse suppliers;
- Provide training programs to educate employees about the advantages of Supplier Diversity;
- Expanding awareness of the program to all major Sprint Business Units;
- Aggressively recruit suppliers who have the skill sets that can provide the best solution at the right price point.

Sprint's policy requires that Small Businesses be provided an opportunity to participate in all services (except exclusions listed herein) procured by Sprint.

Procurement Quarterly Tracking: The Supplier Diversity manager releases quarterly results to SCM managers and major Business Unit executives in order to evaluate existing purchases with large businesses that can be realigned with a Small Business upon contract termination.

## WORKFORCE AND SUPPLIER DIVERSITY FORM

### COMPANY INITIATIVES

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

The Supplier Diversity Department works closely with the Procurement team to include small diverse suppliers in the purchasing process.

Sprint's Master Agreements with large suppliers require annual diverse utilization goals ranging between 5 - 13% of contract spend. Each Sprint supplier is requested to report quarterly diverse spend into Sprint's electronic tool.

Sprint's VP of Procurement, Eugene Agee, has created a standard letter of recommendation that is released to Sprint's large businesses, on behalf of qualified Small Businesses, requesting the large business provide the Small Business an opportunity to introduce their products/services.

Sprint conducted a match making session with Network Vision Original Equipment Manufacturers (OEMs) and prequalified diverse suppliers who could perform services and help the Original Equipment Manufacturers (OEMs), Alcatel-Lucent, Ericsson and Samsung, meet their contractual diverse spend commitments to Sprint and Sprint to meet its diverse spend commitments under our government contracts.

Sprint received detailed Subcontracting Plans from three major Original Equipment Manufacturers (OEMs) to ensure 5% of Sprint's 3-5 year multi-billion dollar Network Vision Project (Google "Sprint Network Vision" for more information) includes small business participation. The three Original Equipment Manufacturers (OEMs) will submit their quarterly and annual Small Business results to Sprint Supplier Diversity.

**(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:**

Diversity is a key part of the way Sprint does business. By being representative of the diverse markets we serve, we're better at serving them. We understand them, and we know their needs. We also understand the complexity of a diverse market. We pursue diversity in all its forms, including ethnicity, gender, generational, geographical and thought. As a global telecommunications leader, we value diverse points of view and recognize that an inclusive workplace is critical to our success. Sprint's commitment to diversity is a unique source of energy, strength and excellence. Employees who share common interests can participate in Employee Resource Groups (ERGs). Sprint endorses employee involvement consistent with our focus of fostering a culture that values the ideas and contributions of all individuals. Sprint currently has seven ERGs with approximately 4,500 + members. ERGs are open to all employees and employees can join more than one ERG.

- Diamond Network – African-American focus
- Enlace – Hispanic focus
- OASIS – Asian/Pacific Islander focus
- Pride – GLBT focus
- REAL Deal – Disability focus
- VETS – Veteran focus
- WISE – women focus

C. Sprint identifies potential subcontractors using the following methods:

Although the economic downturn has impacted Sprint's procurement spend and employee base, Sprint continues to strive toward a vastly robust Small Business outreach and recruiting campaign. The 2014 year anticipates outreach and recruiting events to include, but are not limited to the following tradeshows along with use of their databases or support:

- Mid America Minority Business Development Council
- Chicago Minority Business Development Council
- Asian American Chamber of Commerce of Kansas City
- National Minority Supplier Development Council
- USPAACC (Asian)
- Women's Business Enterprise National Council
- The Elite SDVOB Network National Convention
- US Hispanic Chamber of Commerce
- NaVOBA - National Association of Veteran Business Assoc.
- Northern California MSDC
- Southern California MSDC
- Telecommunication Industry Group (TIG)
- California Utilities Diversity Council
- California Public Utility Commission Joint Utilities meetings
- California Clearinghouse
- Internal Company database
- CVM Solutions LLC.
- SBA CCR.gov
- City of Chicago
- NMSDC.org
- WBENC.org

## WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

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

#### SUPPLIER DIVERSITY PROGRAM

The Sprint Supplier Diversity Policy affirms Sprint's commitment to provide certified diverse suppliers with the maximum opportunity to participate in providing products and services to Sprint. Sprint is increasing its purchasing initiatives with minority, women, veteran-owned and small businesses. These mutually beneficial relationships contribute to the economic success of both Sprint and our diverse suppliers.

Sprint advanced its supplier-diversity efforts, through internal outreach efforts, described herein, by ensuring Sprint employees understand the business benefits of a robust diverse supply chain.

During the 8<sup>th</sup> Annual Elite SDVOB Network National Convention, Sprint identified a SDVOB who is now under contract as a subcontractor on Sprint's GSA Network Enterprise contract.

Supplier Diversity partnered with Sprint Corporate Social Responsibility to support the 32<sup>nd</sup> annual national United States Hispanic Chamber of Commerce conference with approx. 3,000 attendees. Sprint was the only wireless corporation recognized for procuring \$500M+ in tier I and tier II spend with Hispanic businesses.

During 2010 Q3, Sprint's Supplier Diversity Manager, Joyce Christanio, was nominated by the diverse community and recognized by DiversityPlus as one of 25 national Champions of Diversity.

Sprint's Supplier Diversity Manager, as Chair of the Telecommunications Industry Group (TIG), leading 40+ major telecom/technology corporations, will foster Small Business growth across the membership by ensuring Small Businesses with proven results are identified and given opportunities to compete.

Sprint will continue to lead the effort in recognizing the economic importance of utilizing diverse suppliers in the communities where we work and live.