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Wayne M. Johnson

Manager - Regulatory Reporting

Texas Public Utility Commission
Paul Hudson - Chairman
1701 N. Congress Avenue
PO Box 13326
Austin, TX 78711-3326
Attn: Central Records - Project 30240

April 7, 2005

Honorable Chairman,

Please accept the enclosed Workforce and Supplier Diversity Plan and Reports on Five-Year Plan to Enhance Supplier and Workforce Diversity Docket No. 23411 be filed in Project No. 30240 for Qwest Communications Corporation. An additional 10 copies have been provided.

Qwest originally filed this report in December 2004 under our corporate parent. Please accept this report filed under the proper certificated named company, Qwest Communications Corporation.

If you have any questions regarding this report, please contact myself at 515 286 2462 or Susan Mohr at 303 896 5959.

Thank you,

Wayne M. Johnson

Enclosures



Project 30240 **Qwest Communications Corporation**

Workforce and Supplier Diversity Plan and Reports on Five-Year Plan to Enhance
Supplier and Workforce Diversity Docket No. 23411
April, 7, 2005

(Refiled from December, 2004 under corrected corporate name)

Section I. Policy Workforce Diversity

Qwest Communications Corporation, 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 Corporation, , 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 Corporation, , 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 Owest 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 Owest 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. Owest 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 <u>not</u> 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

ACR QUALITLY COMMUNICATIONS INST MARTIN PROCESS SOLUTIONS, INC.

INC.

ADVANCED RESIDENTIAL CREDIT INC.

AMER TECHNOLOGY INC. AMERICAN HOUSEKEEPING

AMERICAN SERVICE SYSTEMS CORP

APPLIED DATA RESOURCES INC.

AVALON CORPORATE HOUSING

AZTEC COMMUNICATIONS INC.

AZTEC FACILITY SERVICES BALT, INCORPORATED

BATAVIA SERVICES

BEHRAM CONSULTING ENGINEERS

BEST RIGHT MANUFACTURING

CHASECOM LIMITED PARTNERSHIP

CMS FACILITIES MANAGEMENT

COMTEK TELECOM LLC

CUNA COMMUNICATIONS, LLC

DESIGN CENTER

DISCIPLINED CTI SOLUTIONS **DOC 2E-FILE INCORPORATED**

DYNAMIC SOURCES, INC.

EDUCORP TRAINING & CONSULTING

EPV GROUP

EXPORT TRADING

FACILITY INTERIORS, INC.

FULFILLMENT PLUS, INC.

GARCOM INC

GOODMAN NETWORKS

GRUV-ON

HARVARD MANUFACTURING TEXAS

HOGAN'S PAPER COMPANY IMPRENTA SERVICES INC.

INDOOR AIR QUALITY SERVICE

INNOVATIVE PBX SERVICES, INC.

INTELLIDI, INC.

INTELSERY INC.

KST ELECTRIC, LTD

LAKEVIEW VENTURES INC (DBA LONE STAR D

LAZO TECHNOLOGIES

LBI ELECTRO OPTICS CORPORATION

LEGAL WATCH, INC.

LINK AMERICA

LONE STAR DIRECT

MAGRABBITT, INC.

MARFIELD, INC.

MCCASTLAIN & COMPANY INC.

MI SYSTEMS

ML MURPHY & ASSOCIATES

NATIONWIDE TECHNOLOGY INSTALLATION SI

INC.

NETWORK PROFESSIONALS

NEUTRAL POSTURE ERGONOMICS INC.

NINO CORPORATE LODGING, INC.

OMEGA RISK GROUP INC.

OPERATIONAL TECHNOLOGIES

OPTICAL & TELECOMMUNICATION (DBA OREN

TELECOM)

PARAGON PROJECT RESOURCES INC

PENCO COMPANY (THE)

PERFORMANCE SOLUTIONS

PLANNING PROFESSIONAL LTD

PRO CONSULTING SERVICES INC.

PROGRESSIVE PROJECT CONCEPTS INC.

ONET INC.

QPC TELESERVICES

QUEST BUSINESS AGENCY, INC. (THE)

RED SALSA TECNOLOGIES

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 CORPOR

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	ed	NUMBER OF Company Totals	FR OF y Totals	TEXAS Cauc	XAS FULL- Caucasian	TIME	F TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR S Caucasian African Hispanic	YEES	ES FOR RI	PORT	ING YE	AR	
	Total	Mole		,		Ame	American			Š	Asian	American Indian	n Indian
		Maic	remale	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Officials and Managers	17	1	10	7	-		1						
					OF	O	0	0	0	0	0	0	0
Professionals	34	22	12	18	6	1	0	8	C	C			
Technicians	78	65	13	51	4	7	-	O					0
Color W.Zd							T	Q	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	6	0	-	1	6	0	C		
Craft Workers (Skilled)	0	0	0	0	0	0	0	C	C				
Operatives (Semi-skilled)	0	0	C	3							D	O	0
Laborers (Huskilled)						O I	0	0	0	0	0	0	0
coordination)	O	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	6	2	17	18	8	0	0	°

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

SMALL UTILITIES HUB USE REPORT (purchases outside Texas) Utility: Qwest Communications Corporation

MBF D	Construction	Commoditie	Other				
			Source Services	Professional	Major	Other	Total HUB
African American	Expenditures	Expenditures	Expenditures	Expenditures	Equipment	i,	
Male	Ö				comparado	Expenditures	Expenditures
Female	0	0	0		0	0	0
Total	49,442	0	5 350 40		0	0	0
Asian American				0	4,279,288	2,227	0
Female	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
Hispanic American			333,131	11,967,134	50,146,362	213,303	0
rane Female	0 0	0 0	0 (0	0	0	C
Total	24,869,257	0	0 653 06	0	0	0	0
Manye American			44,000,904	176,481	2,591,612	377,462	0
Female	0 0	0	0	0	0	0	0
Total	002		0	0	0	0	Ó
			99,399	0	0	4,103,013	C
MBE 10tal (Male/Female Minority)	24,919,399	0	30,377,189	12,143,615	57,017,262	4,696,005	170 153 470
WBE Total (Non-Minority Female)	3 384 538						
	055,505,5	0	32,703,612	467,359	46,278,119	3,688,332	86,521,960
Total MBE & WBE Procurement	28,303,937	0	63,080,801	12,610,974	103 295 381	204 227	
					100,000	1,564,537	215,675,430
Total Unknown Status Procurement (1)	11,208,770	0	14,307,232	12,284,318	81,253,097	22,486,152	141,539,569
Total Non-Fuel Procurement (2)	0	0	0	0	o		3 770 715 714
							2,110,113,114
							Total Utility Purchases
		otal Finel and Purci	hasad Down Dug			I	
			comment and a michaela tower reocurement (electric only)	ment (electric only)			134,899,500
		Total Non-Fuel,	Fuel, Fuel, and Purchased Power Procurement	ased Power Pro	curement	.	3,905,615,214
(1) Vendors for whom HUB status is not directly known.		Expenditures for goods and serv	(2) Expenditures for goods and services from vendors not including wages, benefits, and other non-negotiable goods and services such as taxes and nectons 1 and described American	ages, benefits, and other non-neg	otiable goods and services such	h as taves and mostone Include	

To be filed by a utility which has more than 1,000 customers in a state other than Texas, or which purchases more than 10% of its goods and services from vendors not located in Texas Note: Qwest Communications Corporation systems are currently unable to break this information down specific to Texas.

State: IA Zip: 50309 Phone: 515 296 2462 Fax: 515 286 6128

Reporting Date: Contact person: Wayne M. Johnson__

Jan. 1, 2004 - Dec. 31, 2004