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# CASEY, GENTZ & MAGNESS, L.L.P.

ATTORNEYS AT LAW

98 San Jacinto Blvd., Ste. 1400  
Austin, Texas 78701-4286  
Phone 512-480-9900  
Fax 512-480-9200

Writer's Direct Dial: 225-0027

Robin A. Casey  
Susan C. Gentz  
Diane M. Barlow  
Valerie P. Kirk  
Bill Magness  
Bradford W. Bayliff

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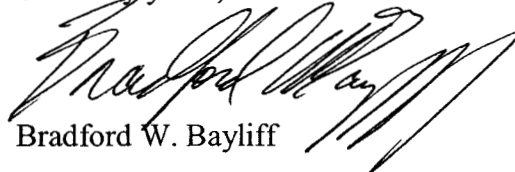
RE: Docket Nos. 30238 and ~~30240~~ 2004 *Workforce Diversity and Historically Underutilized Business Reports*; Time Warner Telecom of Texas, L.P. 2004 Annual Report

Dear Sir or Madam:

On behalf of Time Warner Telecom of Texas, L.P. ("TWTC"), I am filing its annual Report of Workforce Diversity and Other Business Practices in compliance with PURA § 39.909 and P.U.C. Subst. R. § 26.85. TWTC is a competitive local exchange carrier ("CLEC") operating in Texas. In addition to this filing, TWTC sent copies of this letter to the Governor, Lt. Governor, Speaker of the House, the House African-American Caucus, the House Mexican-American Legislative Caucus, and the Texas Senate Hispanic Caucus.

If you have any questions concerning this filing, or need additional information about TWTC, please contact me. Thank you for your attention to this matter.

Sincerely yours,

  
Bradford W. Bayliff

Enclosure

cc: Ms. Kristie Flippo, Time Warner Telecom of Texas, L.P.

# WORKFORCE AND SUPPLIER DIVERSITY FORM WORKFORCE DIVERSITY

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	
35	28	7	27	7			1						
23	21	2	19		1	1	1		1				
40	38	2	24	2	5		8		1				
68	37	31	34	21	2	5	1	3	1		1		
8	2	6	1	5		1	1						
0	0	0											
0	0	0											
0	0	0											
0	0	0											
213	149	64	124	51	9	5	15	6	1	2	0	0	
174	126	48	105	35	8	7	12	3	1	2	0	1	

**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.

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

<b>Actual % = [Total HUB(1) procurement + Total Small Business(2) procurement]/Total Company procurement</b>	<b>Actual % for Previous FY</b>	<b>Actual % for Current FY</b>	<b>Percentage Change</b>
Construction Contracts (3)			%
Commodities Contracts (4)			%
Other Services (5)			%
Professional Services Contracts (6)			%
Major Equipment (7)			%
<b>TOTAL for all Contracts</b>	<b>0.7210%</b>	<b>0.6440%</b>	<b>-10.68%</b>

(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, 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) **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, 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:**

See attached policy

**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:**

See attached policy.

- (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:**

See attached policy.

**WORKFORCE AND SUPPLIER DIVERSITY FORM  
COMPANY INITIATIVES**

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

See attached policy.

## **Minority and Women Owned Business Initiative**

Time Warner Telecom will actively identify, develop and use minority and women-owned business enterprises as the source of goods and services. Every employee of Time Warner Telecom and particularly those employees involved in the evaluation, selection or approval of suppliers are responsible for the implementation, ongoing effectiveness and success of this initiative.

For the purpose of this initiative, a qualified business enterprise is defined as a business which is at least 51% owned, controlled and managed by one or more minority group members (e.g. African Americans, Hispanics, Asians or Native Americans) or women. In the case of publicly owned business, at least 31% of the stock is owned by minority groups.

The goals of Time Warner Telecom's Minority and Women Owned Business Enterprise Initiative are:

- To purchase, goods and services from suppliers owned by minority group members and women with competitive prices, timeliness, quality, technical suitability, and other valid business considerations.
- To assist minority-owned businesses in becoming competitive sources of supply through strategies which include strategic and tactical alliances as well as vendor sub-contracting.
- The Minority and Women Owned Business Development Initiative is a mutually beneficial effort for Time Warner Telecom and minority businesses. As Time Warner Telecom prospers, our goal is that these businesses will expand and prosper as well.

Time Warner Telecom believes that the success of the Minority and Women Owned Business Enterprise Initiative is measured not only by the amount of Time Warner Telecom's spending with minority and women owned business enterprises, but also by the general benefits resulting from the commitment of our employees in helping to develop successful minority and women-owned business enterprises.

Due to Procurement's central role in the purchase of goods and services, it has been given primary responsibility for the development, implementation and ongoing success of Time Warner Telecom's Minority and Women Owned Business Enterprise Initiative. If you have any questions, concerns or require assistance, please contact Andrea Durham-Nicolelli at 303-566-1275 or via email at [andrea.durham@twtelecom.com](mailto:andrea.durham@twtelecom.com).



## Supplier Selection

### *How do I find a Supplier?*

Because Time Warner Telecom has negotiated many national contracts and maintains a list of approved suppliers and standard products the first step is to contact Procurement or log into the TWTC Procurement Intranet site to determine if an approved supplier or national contract exists for the product and/or service you are seeking. If an approved supplier does not exist or if the product and/or service you are seeking is one that has not been purchased previously by Time Warner Telecom a competitive selection must occur.

### *Selecting a new Supplier*

In selecting a supplier certain guidelines around cost and risk to the company determine the level of detail surrounding the selection process and required selection documentation. If no approved supplier exists for the product and/or service you require, the following is a summary of the requirements and process to follow:

Limit	Requirements	Process
\$0-\$50,000	<ul style="list-style-type: none"> <li>• Contact Procurement to determine if an approved supplier/contract exists for the product or service you require.</li> <li>• If no approved supplier or contract exists follow the process to the right and <b><i>retain the selection documentation in your files.</i></b></li> </ul>	<ul style="list-style-type: none"> <li>• Provide vendors a summary of requirements;</li> <li>• Obtain at least three bids;</li> <li>• At least one bid should be from a certified MWBE.</li> <li>• It is important that you retain the selection documentation in your files.</li> <li>• Request contract from Procurement or if Procurement determines one isn't needed enter a requisition in PeopleSoft **</li> </ul>
\$50,000-\$250,000 (whether by a single or multiple purchases)	<ul style="list-style-type: none"> <li>• Contact Procurement to determine if an approved supplier/contract exists for the product you require.</li> <li>• If no approved supplier or contract exists, follow the process to the right and <b><i>provide the documentation to Procurement for review and approval.</i></b></li> </ul>	<ul style="list-style-type: none"> <li>• Provide vendors a <b>written</b> summary of requirements;</li> <li>• Obtain at least three bids;</li> <li>• Attempt to obtain at least one bid from a certified MWBE if there are qualified MWBE Bidders.</li> <li>• Provide procurement a brief summary of selection.</li> <li>• Request contract from Procurement or if</li> </ul>

		Procurement determines one isn't needed enter a requisition in PeopleSoft **
Over \$250,000 (whether by a single or multiple purchases)	<ul style="list-style-type: none"> <li>• Contact Procurement to determine if an approved supplier/contract exists for the product you require.</li> <li>• If no approved supplier or contract exists follow the process to the right.</li> </ul>	<ul style="list-style-type: none"> <li>• Contact Procurement with written requirements (specs);</li> <li>• Procurement and User draft bid letter or RFP issues bid;</li> <li>• Procurement issues bid/RFP</li> <li>• User, Procurement and any affected departments evaluate bids and make selection;</li> <li>• Procurement negotiates contract.</li> </ul>

### ***Certification for MWBEs***

TWTC does not provide MWBE certification. TWTC recognizes firms that have been certified with the National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council, the Small Business Administration's 8(a) program, or other approved government agencies.

### ***Reporting:***

On a quarterly basis and in some cases, on demand, Procurement will request a report of sourcing activities, confirming that reasonable effort was made to include certified MWBEs in bid processes and business opportunities.

### ***When to Contact MWBE Development:***

- If you need assistance in finding a certified MWBE in your area. Procurement maintains a repository of certified MWBE supplier information.
- When receiving "cold calls" from suppliers, inquire as to if they are an MWBE. Whether you chose to utilize the supplier or not, refer these suppliers to MWBE Development.
- If a supplier is unsure as to if he/she is an MWBE or requests assistance on becoming certified.
- If you have any questions or concerns regarding bid processes, subsequent awards, government reporting regarding MWBEs, MWBE certification.

## **Time Warner Telecom Procurement Policy**

Time Warner Telecom will seek out and purchase goods and services that meet its overall business needs, regardless of source. Overall business needs include the appropriate balance of price, timeliness, quality, technical suitability, economic diversity, and other valid business considerations. Procurement activities will be conducted in a non-discriminatory manner with fair treatment given to all suppliers who offer goods and services.

### **Minority and Women Owned Business Initiative**

Time Warner Telecom will actively identify, develop and use minority and women-owned business enterprises as the source of goods and services. Every employee of Time Warner Telecom and particularly those employees involved in the evaluation, selection or approval of suppliers are responsible for the implementation, ongoing effectiveness and success of this initiative.

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The goals of Time Warner Telecom's Minority and Women Owned Business Enterprise Initiative are:

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