



Control Number: 30240



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Alenco Communications, Inc.

Est. 1978

December 27, 2005

Central Records Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue Rm. G-113  
P.O. Box 13326  
Austin, TX 78711-3326


Re: Project # 30240

Pursuant to the Public Utility Commission Substantive Rule §26.85 we enclose one original and three (3) copies of our Annual Workforce Diversity Report due December 30, 2005.

Consistent with the requirements of the approved rule, copies of this report are also being provided to (1) the Governor; (2) Lieutenant Governor; (3) Speaker of the House of Representatives; (4) House Legislative Black Caucus; (5) Texas Senate Hispanic Caucus; (6) House Mexican American Legislative Caucus.

Please acknowledge receipt of this report by signing and dating the enclosed copy of this letter and returning it in the envelope provided. If any further information is required, please let me know.

Sincerely,  
Alenco Communications, Inc.

  
Mary Jo Donnelly  
Chief Financial Officer

Mj/s

Enclosures

Cc w/attachment

The Honorable Rick Perry  
The Honorable David Dewhurst  
The Honorable Tom Craddick  
The Honorable Garnet Coleman  
The Honorable Juan "Chuy" Hinojosa  
The Honorable Pete Gallego

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# **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	7	5	2	5	2										
Professionals	1	0	1		1										
Technicians	0	0	0	0				0							
Sales Workers	1	1	0	1											
Office and Clerical	7	1	6	1	3					3					
Craft Workers (Skilled)	10	10	0	9				1							
Operatives (Semi-skilled)	2	2	0	1				1							
Laborers (Unskilled)	0	0	0												
Service Workers	0	0	0												
<b>Previous Year Totals</b>															
	27	17	10	16	7			1	3						
<b>This Year Totals</b>	28	19	9	17	6	0	0	2	3	0	0	0	0	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.

**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)	0.0400%	2.2100%	5425.00%
Commodities Contracts (4)	0.6000%	2.5600%	326.67%
Other Services (5)	0.1100%	1.0300%	836.36%
Professional Services Contracts (6)	0.8000%	8.4500%	956.25%
Major Equipment (7)	0.5000%	4.9800%	896.00%
Other (8)	1.1000%	2.5400%	130.91%

(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:**

The company has followed the same procedures since it was created in the consideration and utilization of under utilized business. We are always willing to consider companies that are able to provide services and or equipment as long as they offer the degree of excellence that meets the requirements we strive to maintain when servicing our customers. As in previous years, we will continue to be fair and non-discriminate in our vendor selection. Because of the lack of response to requests for information, this report does not represent the vast array of vendors we use. In 2005 we used approximately 300 vendors and even though we send mail outs each year we still have less than 27% response. We serve small exchanges in diverse areas of west, central and south Texas. We make it a practice to seek local business for bids on contracts for construction and repair of equipment. We also try to recruit and hire our employees locally, in the areas we serve. We feel that employees who serve the people in their surrounding area take pride in serving their neighbors. We have attempted to educate the vendors with the reason for our inquiries on their business, we enclose pre-addressed envelopes, and easily filled out forms yet the response is still really poor.

**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:**

We feel that our company has always selected it's vendors in a fair and non-discriminate way. From my general knowledge of our vendors, I would estimate approximately 85% of them to be small business, but because they will not reply to our survey, we cannot report the correct data. One vendor refused to respond to our request. Their legal department sent us a letter stating that "the code described (TEX GOV'T Code @481-101 (1995) has been repealed and not replaced." The total procurement reported on this form is less than 4% of our annual purchases. Because of the lack of complete data on our vendors, I feel the reliability of this report is extremely questionable. Yet, while the report is probably invalid; I feel we are utilizing HUB's in a real way because of the rural south and west Texas areas we serve. From my general knowledge of our vendors, I would say that less than 5% of them are large businesses. Our customers seem to be very pleased that the customer service representatives and service technicians are from their hometowns. They feel they know them and can work with them. Many of our customers do not speak English so they rely a great deal on our Spanish speaking employees to understand and help them.

**(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:**

As always, we will continue to maintain our high standards of hiring talented and experienced employees from the vast and diverse areas we serve. As qualified HUB's start businesses near us and our customers we are glad to consider their expertise in the telecommunications industry and more than willing to have them bid on projects and repairs of our equipment as long as the standards of the company and those we serve are not compromised. We will continue to try and get better data on our vendors.

**WORKFORCE AND SUPPLIER DIVERSITY FORM  
COMPANY INITIATIVES**

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

Progress has been made in the growth of the number of businesses moving into our areas and those that qualify as HUB's. Those companies are being made aware that we are willing to use their services as long as they meet the high standards we require in providing for our customers. But, we have had terrible response from the questionnaires, even though we have enclosed self addressed envelopes with a very easy to complete form. This year has been our least successful as far as getting our vendors to reply to our request. Only 27% of those who received our questionnaires responded. This is still not enough response to put validity to the procurement data on this report; therefore I doubt the reliability of this report more and more each year.