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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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Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
Austin, Texas 78701

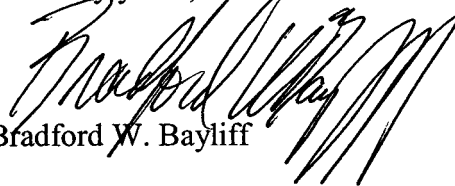
RE: Docket Nos. 30238 and 30240 *2004 Workforce Diversity and Historically Underutilized Business Reports*; Time Warner Telecom of Texas, L.P. 2005 Annual Report

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. In addition to the Workforce and Supplier Diversity Form, TWTC is providing information about its procurement policy and its Minority and Women Owned Business Initiative. In addition to this filing, TWTC sent copies of its report to the Governor, the Lt. Governor, the 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

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	31	24	7	23	7				1					
Professionals	24	23	1	21		1		1			1			
Technicians	39	38	1	25	1	5		6		2				
Sales Workers	71	41	30	37	21	2	5	2	2		1		1	
Office and Clerical	11	3	8	2	7		1	1						
Craft Workers (Skilled)	0	0	0											
Operatives (Semi-skilled)	0	0	0											
Laborers (Unskilled)	0	0	0											
Service Workers	0	0	0											
Previous Year Totals	174	126	48	105	35	8	7	12	3	1	2	0	1	
Year Totals	176	129	47	108	36	8	6	11	2	2	2	0	1	

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.

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 51% of the stock is owned by minority groups or women.

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.

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

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- 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.

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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.

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

		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"> • Contact Procurement to determine if an approved supplier/contract exists for the product you require. • If no approved supplier or contract exists follow the process to the right. 	<ul style="list-style-type: none"> • Contact Procurement with written requirements (specs); • Procurement and User draft bid letter or RFP issues bid; • Procurement issues bid/RFP • User, Procurement and any affected departments evaluate bids and make selection; • Procurement negotiates contract.

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 respository 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.