

SUPPLIER DIVERSITY REQUIREMENTS

1.0 DEFINITIONS

“Certified Diverse Supplier” means a supplier that has been certified by a qualified independent third party agency as a “minority-owned small business”, “service-disabled veteran-owned small business,” a “HUB Zone small business,” a “small disadvantaged business,” a “women-owned small business” or a small business that is controlled by one or more “socially and economically disadvantaged individuals,” as those terms are used in 48 C.F.R. 2.101 or 13 C.F.R. 124.1003.

“Direct 2nd Tier Spend Report” is used when Supplier can directly relate payments made to a Certified Diverse Supplier to the Deliverables or Services being provided under the Agreement.

“Diversity Subcontract Plan” is a plan to carry out the policy of providing Certified Diverse Suppliers the maximum practicable opportunity to participate in providing Deliverables and Services to the fullest extent consistent with efficient contract performance.

“Indirect 2nd Tier Spend Report” is used when Supplier cannot directly relate payments made to a Certified Diverse Supplier to the Deliverables or Services being provided under the Agreement.

“Individual Diversity Subcontracting Plan” is a subcontracting plan that Supplier has developed specifically to meet the Certified Diverse Supplier Utilization Requirements of this Agreement.

“Master Diversity Subcontracting Plan” is a subcontracting plan that Supplier has developed to meet the internal supplier diversity utilization goals that Supplier has already established.

“Utilization Requirements” means the target percentages for Supplier’s use of Certified Diverse Suppliers (minority, women, or disabled veteran) in providing Deliverables and Services.

2.0 SCOPE

This Schedule sets forth Company’s supplier diversity policy and Supplier’s obligations under that policy, including Supplier’s use of Certified Diverse Suppliers and the regular reporting of such use.

3.0 POLICY

Company’s supplier diversity policy requires that Certified Diverse Suppliers will have the maximum practicable opportunity to participate in providing Deliverables and Services to Company to the fullest extent consistent with efficient contract performance.

4.0 DIVERSITY SUBCONTRACTING PLAN

All prime suppliers with a contract value that results in a yearly spend of \$500,000 or more must have a Master or Individual Diversity subcontracting plan attached to the MSA outlining a minimum percentage to subcontract direct and/or indirect business to diverse suppliers. Also Suppliers will be required to submit online **quarterly** reports reflecting totals for subcontracted (direct/indirect) dollars spent during the calendar year (January-December) with certified diverse suppliers.

Supplier shall maintain the following records, which shall be open to CenturyLink inspection or audit:

- Documentation of MWDVBE Subcontractor's certification
- Source lists for MWDVBE firms
- Organizations contacted for potential subcontracting relationship
- Documentation to support award data

Within 45 days of the Effective Date, Supplier must submit to Company either a Master Diversity Subcontracting Plan or an Individual Diversity Subcontracting Plan. A Diversity Subcontracting Plan must contain the following components:

- Supplier's Contract Number and/or Statement of Work (SOW) Number
- Supplier's Diversity policy statement
- Utilization Requirements and/or target goal percentage
- Description of operational services and/or supplies to be subcontracted.
- Methods used to identify and locate Certified Diverse Suppliers
- Methods used to develop Utilization Requirements
- Efforts to provide subcontracting opportunities to Certified Diverse Suppliers
- Record keeping requirements
- Diversity Subcontracting Plan administrator's name and description of duties

5.0 UTILIZATION REQUIREMENT

Supplier must meet a minimum Utilization Requirement of 15%, either annually or, if this Agreement is for a specific term, over the term of the Agreement. The Utilization Requirement will consist of the following percentages: 7% minority, socially and economically disadvantaged small business, 5% women-owned small business concerns, and 3% service-disabled veteran-owned small business concerns.

6.0 SUPPLIER'S GOOD FAITH EFFORT

Supplier must make a good faith effort to meet its Utilization Requirements. If Supplier is not meeting its Utilization Requirements, Supplier must provide to Company documentation of its efforts.

- 7.0 If Company reasonably determines that Supplier has not made a good faith effort (i.e. willfully or intentionally failing to comply with its Diversity Plan), Company will provide Supplier written notice that Supplier is in material breach of this Agreement.

8.0 REPORTING

Supplier will submit quarterly electronic reports of all Deliverables and Services provided by or through its Certified Diverse Suppliers to meet Supplier's Utilization Requirements under this Agreement.

- a. Supplier must submit its reports quarterly using Company's Online Reporting Tool providing 2nd Tier Direct and/or Indirect Spend.
- b. The Direct 2nd Tier Spend data includes the name, address, classification, and Deliverable or service provided by each Certified Diverse Supplier during the relevant quarter.
- c. The Indirect 2nd Tier Spend Report involves a calculation to determine the Company share of Supplier's use of Certified Diverse Suppliers.

9.0 USSBA SURVEYS

- a. Supplier agrees to cooperate in any studies or surveys that may be conducted by the United States Small Business Administration or other agency of the United States to determine the extent of Supplier's compliance with this Supplier Diversity Schedule.
- b. Supplier will submit Standard Form 294, Subcontracting Report for Individual Contracts, and Standard Form 295, Summary Subcontract Report, as may be specified by the United States Small Business Administration.