

**CENTURYLINK
SUPPLIER DIVERSITY**

**DIVERSITY (MWDVBE) SUPPLIER
SUBCONTRACTING PLAN AND SCHEDULE**

1. SCOPE

This Schedule sets forth CenturyLink's supplier diversity policy and Supplier's obligations under that policy. Supplier's obligations include: (1) use of Certified Diverse Suppliers; (2) Creation and submission of Diversity Subcontracting Plan; (2) CenturyLink Quarterly Reports and (3) Reporting compliance as requested. Supplier's Plan and Reports must comply with the attached Exhibits 1 – Diversity Subcontracting Plan, 2 – MWDVBE Definitions and 3 – CenturyLink Approved MWDVBE Certification Agencies.

2. POLICY

CenturyLink'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.

3. DIVERSITY SUBCONTRACTING PLAN

All prime suppliers that provide services/products to CenturyLink that result in spend equal to or greater than \$1,000,000 in a calendar year must submit a Diversity Subcontracting Plan within 45 days of the effective date of the appropriate contract. Supplier must submit to CenturyLink 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
- See attached Exhibit 1 – Diversity Subcontracting Plan

4. UTILIZATION GUIDELINES

Under the Diversity Subcontracting Plan, a Supplier should attempt to meet a minimum Utilization Requirement of 15%, either annually or, for the specific term of the Contract. 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. See attached Exhibit 2 – MWDVBE Definitions and Exhibit 3 – CenturyLink Approved MWDVBE Certification Agencies.

5. 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 CenturyLink documentation of its efforts to obtain the Utilization Requirements. If CenturyLink 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 Schedule.

6. 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 Schedule.

- 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 will include 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. Supplier shall maintain the following records, which shall be open to CenturyLink's 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

7. United States Small Business Administration (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.

Exhibit 1
CENTURYLINK DIVERSITY (MWDVBE)
SUBCONTRACTING PLAN

Supplier's obligations include: (1) use of Certified Diverse Suppliers; (2) Creation and submission of Diversity Subcontracting Plan; (2) CenturyLink Quarterly Reports and (3) Reporting compliance as requested. Supplier's Plan and Reports must comply with the attached Exhibits 1 – Diversity Subcontracting Plan, 2 – MWDVBE Definitions and 3 – CenturyLink Approved MWDVBE Certification Agencies.

Contract/SOW #

Business Unit

Supplier Name _____ Sourcing Manager _____

Will utilize minority/women/service and/or disabled veteran owned businesses (MWDVBE's) for: (Add services or products provided to CenturyLink)

Check box if your company is a minority/woman/service disabled veteran-owned business

***(exempt from plan requirement with proof of certification status)**

Suggested subcontracting goal for MWDVBE utilization is 15% of total contract value. Supplier strives to provide expanded and new opportunities to increase total expenditures with MWDVBE suppliers.

Name/address/phone number of Supplier's Diversity/AP Finance Administrator:

Supplier agrees to identify certified MWDVBE subcontractors by utilizing the certifying agencies in their region and maintain on file MWDVBE utilization data, records and reports for a minimum period of three (3) years from the date of termination/expiration for the above referenced contract.

Supplier agrees to execute the subcontract plan upon contract approval. Send a copy of the plan to CenturyLink Supplier Diversity, supplier.diversity@CenturyLink.com and to the Strategic Sourcing Manager with whom Supplier has conducted business.

To assist CenturyLink with complying with MWDVBE subcontracting goals, if Supplier currently provides any reports tracking the use of Diverse suppliers in the provision of products, goods or services, to any other customer, subject to confidentiality or other legal/contractual obligations or requirements, Supplier will provide these reports to CenturyLink when requested. Supplier will also access CenturyLink's online Tier 2 report system to electronically provide the requested data on a quarterly basis.

Exhibit 2
MWDVBE DEFINITIONS

CenturyLink uses the definitions developed by the National Minority Supplier Development Council for the purpose of identifying minority-owned businesses

1. Prime Supplier is described as a (1) for profit business, and (2) ethnically non-minority owned or controlled enterprise regardless of size, has headquarters and/or wholly owned subsidiaries that is physically located in the United States or its trust territories, which CenturyLink pays/spends \$1,000,000 or more in a calendar year (January-December) and is owned, operated or controlled by an ethnically non-minority chairperson, president or chief executive or operating officer.
2. Certified Ethnic Minority-Owned Business Enterprise (MBE) is described as a woman-owned business enterprise (WBE) or a service and/or disabled veteran-owned business enterprise (S/DVBE) is a for-profit enterprise, regardless of size, physically located in the United States or its trust territories, owned, operated or controlled by persons with an ethnic minority, woman or service disabled veteran status with 51% ownership and control, whether the business is publicly or privately held. If publicly held, 51% of the stock must be held by the minority, women or service disabled veteran members.
3. Ethnic Minority consists of an individual whose bloodline is at least one-quarter or 25% minimum of the following:

African American – US citizen having origins with any Black racial groups of Africa excluding Northern Africa and Persian Gulf regions

Hispanic American – A US citizen of true-born Hispanic heritage, from any of the Spanish speaking areas of Central, South and Latin America, Mexico, and the Caribbean excluding Portugal and Spain

Native American – A person who is American Indian, Eskimo, Aleut or Native Hawaiian and regarded as such by the community of which the person claims to be a part. Native Americans must be documented members of a North American tribe, band or otherwise organized group of native people who are indigenous to the continental United States and proof can be provided through a Native American Blood Degree Certificate (i.e., tribal registry letter, tribal roll register number)

Asian-Pacific American – US citizen whose origin is Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, Samoa, the Philippines, Guam, the U.S. trust territories of the Pacific or the Northern Marianas.

Asian-Indian American – US citizen whose origin is India, Pakistan or Bangladesh

4. Woman and service and/or disabled veteran owned business enterprise must fall under the following definitions:

Woman-owned Enterprise – A business that is 51 percent owned and/or daily operations are controlled by one or more women that are U.S. citizens.

Service Disabled Veteran-owned Enterprise – A business that is 51 percent owned and/or controlled by veterans with a disability that is service connected (disability was incurred or aggravated in the line of duty while active in military, naval or air service).

In addition, CenturyLink uses the following definitions for the purpose of identifying accepted small business enterprises:

5. **Small Disadvantaged Business (SDB)** – A business that is 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged (ethnic minority/ physically disabled) AND qualifies as a small business under the size standards in 13 CFR part 121.
6. **Certified 8 (a) firm** – A firm owned and operated by socially and economically disadvantaged individuals AND eligible to receive federal contracts under the Small Business Administration’s 8(a) Business Development program.
7. **Certified Hub-Zone** – A firm operating in a government certified historically under-utilized business zone.
8. **“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.
9. **“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.
10. **“Diversity Subcontracting 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.
11. **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.
12. **“Individual Diversity Subcontracting Plan”** is a subcontracting plan that Supplier has developed specifically to meet the Certified Diverse Supplier Utilization Requirements of this Agreement.
13. **“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.
14. **“Utilization Requirements”** means the target percentages for Supplier’s use of Certified Diverse Suppliers (minority, women, or disabled veteran) in providing Deliverables and Services.
15. **“WMLGBTBE”** means a women-owned, minority-owned and/or LGBT-owned business enterprise. Under these rules, a woman, a minority and/or LGBT person owning such an enterprise must be either U.S. citizens or legal aliens with permanent residence status in the United States.
16. **“WMDVLGBTBE”** means a women-owned, minority-owned, disabled veteran-owned and/or LGBT-owned business enterprise.

Exhibit 3
CenturyLink's Approved MWDVBE Certification Agencies

This list contains agencies approved by CenturyLink for MWDVBE certification. CenturyLink prefers Minority Business Enterprise (MBE) certifications from affiliates of the **National Minority Supplier Development Council (NMSDC)*** and Women Business Enterprise (WBE) certifications from affiliates of the Women's Business **Enterprise National Council (WBENC)**** and Service Disabled Veteran Enterprise (SDVE) certifications from the **Association of Service Disabled Veterans. The National Gay and Lesbian Chamber of Commerce (NGLCC) provides certifications for lesbian, gay, bisexual and transgender (LGBTBE).** The list of preferred affiliates is below.

CenturyLink **accepts** pre-existing certification from other agencies provided the evaluation criteria complies with CenturyLink's definitions of Minority-Owned Business, Woman-Owned Business and Service Disabled Veteran-Owned Business. Please understand that CenturyLink does not accept self-certification as a valid MWDVBE or small business certification.

California PUC supplier certification http://www.cpuc.ca.gov/PUC/aboutus/bizcommunity.htm	(415) 703-5245
National Association of Women Business Owners http://www.nawbo.org/	(800) 556-2926
National Gay and Lesbian Chamber of Commerce http://www.nglcc.org	(202) 234-9181
National Minority Supplier Development Council (Headquarters) http://www.nmsdc.org	(212) 944-2430
Office of Small and Disadvantaged Business/Minority Resource Center http://www.osdbu.dot.gov	(800) 532-1169
Small Business Administration SBA 8(a) Program Region VII (MO,KS) http://www.sba.gov	(816) 426-4840
Small Business Administration SBA 8(a) Program Region VIII (CO,UT,WY) http://www.sba.gov	(303) 844-0500
Women's Business Enterprise National Council (Headquarters) http://www.wbenc.org	(202) 872-5515

CENTURYLINK Supply Chain has a strategic initiative for including certified MWDVBES in the strategic sourcing of goods and services. Our supply chain organization has two major teams: 1) supporting network requirements and 2) operational services. Inquiries regarding MWDVBE utilization and/or interest in participating in upcoming RFPs/RFIs, please send email to supplier.diversity@CenturyLink.com