

PUBLIC VERSION

**CRICKET COMMUNICATIONS, INC. (U-3076-C)
2011 ANNUAL REPORT AND 2012 ANNUAL PLAN ON
WOMEN, MINORITY AND DISABLED VETERAN-OWNED BUSINESS
ENTERPRISE PROCUREMENT**

9.1.1 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES—INTERNAL AND EXTERNAL

Cricket Communications, Inc. (“Cricket”) is committed to promoting the overall participation of women, minority, and disabled veteran-owned business enterprises (WMDVBE) in our purchases of materials and services. The Supplier Diversity Program Team administers the internal and external program activities for Cricket.

1. INTERNAL PROGRAM ACTIVITIES

During 2011 Cricket continued to engage in activities designed to build a sustainable WMDVBE Program platform. During 2010, a solid program foundation was established and will continue to be built upon and expanded in the coming years as Cricket works toward its longer term goals. Described below are the internal and external program activities conducted in 2011 to increase the utilization of WMDVBEs within Cricket:

A. Sourcing Plan Development

The 2011 focus of the Cricket Sourcing plan was the establishment of a Diversity Sourcing Program. Program cornerstones include:

- WMDVBE Supplier Source Pool Development – Cricket contracted with Dunn and Bradstreet to utilize their Supplier Risk Manager module as a basis for developing and expanding our WMDVBE Supplier Source Pool to allow Cricket to quickly find new suppliers to populate our pool of potential Diversity Suppliers for our various diversity sourcing categories. In addition to reaching out to other suppliers who have Supplier Diversity programs to document additional suppliers by commodity type, in 2011, Cricket focused on enhancing its WMDVBE reporting and implementing its Tier II program.
- Supplier Third Party Certification Program – Cricket has identified our existing supply base’s certification status with regard to Third Party Certification requirements, and worked to migrate the existing supply base, where appropriate, to the CPUC Clearinghouse. Additionally, new suppliers are contractually required to obtain this certification for program purposes because Cricket modified its contract requirements and added the WMDVBE component.
- Cricket Tier I & II Sourcing Program – Cricket has established Procurement methods and procedures designed to ensure that businesses owned by women, disabled veterans, and minority groups (WMDVBE) are included in Cricket’s supplier selection process. The processes target both Tier I spend and Tier II direct and indirect spend. The Tier II program will be described in more detail later in this report.

- Cricket Sourcing Training Program– Cricket has developed training materials for all Procurement personnel on general program parameters, program goals and objectives, program benefits, and specific sourcing program methods and procedures. Cricket annually trains all Sourcing managers in addition to new Sourcing managers. The training materials are interactive, substantive as well as standards-based and provide consistent program training content throughout the company.
- Incorporation of WMDVBE Information In Procurement Materials – Where appropriate, Cricket will include WMDVBE information and resources in procurement materials.

B. Supplier Outreach Program Development

During 2011, Cricket has established a program to identify areas of Supplier Diversity supplier pool gaps, by commodity area as well as an outreach programs with Minority, Women and Disabled Veteran Councils to increase supplier identification and participation in those deficient areas of business opportunity.

2. EXTERNAL PROGRAM ACTIVITIES

The Supplier Diversity Program Team will utilize various methods to reach our goals. These include, but are not limited to: recruiting; proactive action to include diverse suppliers in the bid process through the Sourcing group in Supply Chain Management; participation at training events; and distributing materials to assist entities in becoming WMDVBEs. Cricket describes particular external program activities in more detail, below:

A. Meetings, Conferences and Trade Fairs

Cricket participated in trade fairs and conferences with the goal of developing and promoting its program, as well as recruiting diverse, innovative firms for participation in its program. The following list details our participation for 2011.

Date	Organization	Event	Location
April 5, 2011	Houston Hispanic Chamber of Commerce	HHCC International Summit & Business Expo	Houston, TX
May 18 – 19, 2011	Women’s Business Enterprise Alliance	Women in Business Opportunity Connection	Houston, TX

B. Memberships

Cricket participates in several organizations and associations whose mission is to develop minority and women-owned organizations, including the following:

- San Diego Urban League
- Houston Hispanic Chamber of Commerce
- Houston Area Urban League
- Urban League of Metropolitan Denver
- The Professional Group – Houston
- Aurora, Illinois Hispanic Chamber of Commerce
- Chicago Latino Network
- Puerto Rican – Chamber of Commerce

C. Awards and Recognition

Cricket received the following awards in 2011 for its Inclusion and Diversity efforts:

- Working Mother Best Companies for Hourly Workers 2011
- Savoy Professional Top 100 Companies for Diversity and Inclusion

D. Presentations

As part of Cricket’s outreach to suppliers, organizations, and associations, the Supplier Diversity Program Team participates in and, when requested, provides presentations at various events.

E. Subcontracting Program

Cricket Sourcing Supplier Subcontracting Tier II Program Training – Cricket has developed training materials for all suppliers required to perform Subcontracting Tier II requirements on general program parameters, program goals and objectives, program benefits, and specific sourcing program methods and procedures. Of the Cricket suppliers that were invited to participate in the Tier II training program, over 96% completed the training.

9.1.2 SUMMARY OF WMDVBE PURCHASES / CONTRACTS

Cricket is a national provider of wireless voice and broadband telecommunications services, offering service in California and other states. Cricket operates an integrated national network that offers its customers a national wireless communications service platform. All procurement

decisions are made on a centralized basis either at Cricket’s national headquarters in San Diego, California or in its procurement headquarters in Denver, Colorado; procurement decisions are not made on a state-by-state basis. Accordingly, it is difficult for Cricket to separate into a California-specific segment the procurement spending that is attributable to Cricket’s operations in the State of California or, for that matter, operations in any particular state.

Despite these current limitations, Cricket has provided as Appendices A and B its best derivation of its State of California WMDVBE spending based on the supplier site location as noted in Cricket’s invoice records.¹ Although Cricket may have procured products and services from California suppliers, this does not necessarily mean that the procurement was solely utilized in or for the benefit of Cricket operations in California. Likewise, simply because procurement occurred in other states does not necessarily mean that such procurement was not undertaken for the benefit of Cricket’s operations in California. Given these limitations in its data, Cricket has reported such information as completely as its records currently permit. In 2012, Cricket will try to improve its ability to track its spend in support of California operations.

9.1.3 ITEMIZATION OF WMDVBE PROGRAM EXPENSES

CRICKET COMMUNICATIONS, INC.	G.O. 156 Section 9.1.3
Calendar Year 2011	WMDVBE Program Expenses
Expense Category	2011 (Actual \$)
Wages	\$ 0
Travel	\$ 0
Membership Fees	\$ 1500
Sponsorships	\$ 0
Web Page	\$ 0
Advertising	\$ 0
Marketing Materials	\$ 0
Tradeshows	\$ 100
Training	\$ 0
Total	\$ 0

¹ Total spending for the State of California has been identified for all suppliers that Cricket’s records show are located in California.

- **Wages:** Supporting this effort were one Director and one half equivalent headcount Manager. Wages are confidential; however, the salaries of the employees are competitive for the industry
- **Travel:** Travel to attend trade fairs, supplier site visits, training seminars/workshops
- **Membership Fees:** Memberships to Councils, Chamber of Commerce, other various organizations
- **Sponsorships:** Sponsorships of various events
- **Cricket Page:** Development and hosting of external Cricket Communications page for supplier registration, information and database
- **Advertising:** Publications and external advertising for supplier diversity
- **Marketing Materials:** Materials for trade-shows, give-aways, raffles, printing of brochures, posters, marketing collateral
- **Tradeshows:** Setup fees, transportation of materials, etc.
- **Training:** Training courses, workshops, seminars; Cricket does not track its costs of participating at various training events

9.1.4 DESCRIPTION OF PROGRESS IN MEETING OR EXCEEDING SET GOALS

2011 was a formative year for Cricket’s Supplier Diversity program. The emphasis of the program in 2011 was on gaining access to Supplier Diversity data, formulating reporting capabilities for that data, and the implementation of a Tier II data gathering and reporting process.

9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS

Cricket places emphasis on extending the diversity efforts and outreach activities related to subcontracting utilizing Cricket’s Tier II Subcontracting Program. This program was initiated to existing and new Cricket suppliers with over \$5M annual spend in 2011.² See attached 2011 Plan for more details.

9.1.6 WMDVBE SUPPLIER COMPLAINTS

Cricket did not receive any formal written complaints in 2011.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

² In the future, Cricket will work to reduce this threshold from \$5M to \$500K.

Not applicable.

9.1.8 DESCRIPTION OF EFFORTS TO RECRUIT WMDVBE SUPPLIERS

See sections 9.1.1 and 9.1.2 above.

9.1.9 JUSTIFICATION FOR CONTINUED EXISTENCE OF ANY "EXCLUDED CATEGORY"

For the 2011 report, Cricket has not made any exclusion to the reporting data.

9.1.10 FUEL PROCUREMENT

Cricket has not segregated fuel procurement for 2011 reporting.

CRICKET 2012 ANNUAL PLAN

10.1.1 SHORT, MID, AND LONG-TERM GOALS

CRICKET WMDVBE SHORT, MID AND LONG TERM GOALS BY SIC CATEGORY																			
CRICKET SIC CATEGORY	SHORT-TERM 2012						MID-TERM 2014						LONG-TERM 2016						
	MINORITY		MBE	WBE	WMBE	SDV	MINORITY		MBE	WBE	WMBE	SDV	MINORITY		MBE	WBE	WMBE	SDV	
	MEN	WOMEN					MEN	WOMEN					MEN	WOMEN					
SIC 15 - 17: Construction	%	4.0%	0.5%	5%	2.0%	6.5%	0.5%	7.5%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%
	%																		
SIC 20 - 39: Manufacturing	%	4.0%	0.5%	5%	2%	6.5%	0.5%	8%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%
	%																		
SIC 40 - 49: Transportation, Communications, Electric, Gas, And Sanitary Services	%	4.0%	0.5%	5%	2%	6.5%	0.5%	8%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%
	%																		
SIC 50 - 51: Wholesale Trade	%	4.0%	0.5%	5%	2%	6.5%	0.5%	8%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%
	%																		
SIC 52 - 59: Retail Trade	%	4.0%	0.5%	5%	2%	6.5%	0.5%	8%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%
	%																		
SIC 60 - 67: Finance, Insurance and Real Estate	%	4.0%	0.5%	5%	2%	6.5%	0.5%	8%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%
	%																		
SIC 70 - 89: Services	%	4.0%	0.5%	5%	2%	6.5%	0.5%	8%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%
	%																		
SIC 91 - 99: Public Administration	%	4.0%	0.5%	5%	2%	6.5%	0.5%	8%	1.0%	8.5%	4.5%	13.0%	1.06%	11%	4%	15%	5%	20%	1.5%

10.1.2 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES—INTERNAL AND EXTERNAL

In 2012, Cricket will organize and carry out its WMDVBE program as described above and as follows:

- Cricket will continue to utilize Dunn and Bradstreet data for analysis of Diversity supplier participation in all major expenditure sourcing areas. Where deficiencies are noted, Cricket will coordinate its Supplier Outreach activities to attempt to increase the supplier pool base for sourcing activities.
- Cricket’s Supplier Diversity Program will continue to create avenues for WMDVBEs to have access to key decision-makers within various business units. For example, Cricket will strive to afford WMDVBE suppliers an opportunity to visit with procurement officials to discuss the procurement process, as well as key sourcing opportunities for the coming year.
- Cricket will search for qualified sources through attendance at trade fairs, the California Public Utilities Commission’s Clearinghouse, WBENC, CCR, NMSDC and numerous

local databases, referrals, service and product information, and letters of recommendations. In addition, Cricket will join the Diversity Councils Organizations as Corporate Member to get access to certified Diversity Suppliers database and network with other corporate members to share ideas and expand the Diversity program.

- Cricket is planning to participate in several trade fairs and conferences with the goal of developing and promoting its program, as well as recruiting diverse, innovative firms for participation in its program. The following list details our plan participation for 2012.

Date	Organization	Event	Location
February 23, 2012	Southern California Minority Business Development Council (SCMSDC)	Minority Business Opportunity Day (MBOD)	Industry, CA
June 19-21, 2012	Women's Business Enterprise National Council (WBENC)	National Conference	Orlando, FL
August 2012	Women's Business Enterprise Regional Council (WBEC-WEST)	Women in Business Opportunity Connection	San Diego, CA
August 9, 2012	Northern California Minority Supplier Development Council (NCMSDC)	Minority Business Opportunity Expo	Santa Clara, CA
October 28-31, 2012	National Minority Supplier Development Council (NMSDC)	NMSDC Conference and Business Opportunity Fair	Denver, CO
September 18-19, 2012	San Diego Regional Minority Supplier Development Council (MSDC)	Business Opportunity Conference	San Diego, CA

10.1.3 PLANS FOR RECRUITING WMDVBE SUPPLIERS WHERE WMDVBE UTILIZATION HAS BEEN LOW

Cricket is committed to recruiting and developing WMDVBE talent in traditional, non-traditional, and low utilization areas.

10.1.4 PLANS FOR RECRUITING WMDVBE SUPPLIERS IN ANY "EXCLUDED CATEGORY"

Cricket does not anticipate any excluded spend categories during 2012.

10.1.5 PLANS FOR PRIME CONTRACTORS AND GRANTEEES OF WMDVBE SUBCONTRACTING

In 2011, Cricket implemented a Tier II program with its supply base. This program included a subcontracting plan (with percentage goals), and quarterly reports for the supplier to submit to

Cricket. The program also has provisions for Good Faith Effort reporting and action plan implementations where suppliers are noncompliant in meeting their goals.

Cricket will focus its efforts in 2012 on implementing its Tier II program with suppliers who sell in excess of \$5M of products and services to Cricket. In the future, Cricket will work to reduce this threshold from \$5M to \$500K.

As many suppliers are not prepared to take on the responsibility of supplier diversity requirements, the Supplier Diversity Program Team assists the supplier where necessary in developing a program, understanding the reporting requirements, and referring suppliers. The goal is to promote Supplier Diversity with whomever Cricket is spending its dollars with. Cricket will also coach its supply base as necessary on the benefits of a Supplier Diversity Program and the value it can bring to its organization.

REDACTED

Appendix A

2011 Cricket Spend By Ethnicity (CA Only)

DIVERSITY CATEGORY	SUB-CATEGORY	TOTAL DOLLARS SPENT	% OF SPEND	# OF COMPANIES
MINORITY MEN	ASIAN-PACIFIC	██████	████	█
	BLACK	███	███	
	HISPANIC	███	███	
	NATIVE AMERICAN	███	███	
	OTHER	███	███	
	TOTAL MINORITY MEN	██████	████	█
MINORITY WOMEN	ASIAN-PACIFIC	███	███	
	BLACK	███	███	
	HISPANIC	███	███	
	NATIVE AMERICAN	███	███	
	OTHER	███	███	
	TOTAL MINORITY WOMEN	███	███	█
TOTAL MINORITY BUSINESS ENTERPRISE		██████	████	█
WOMEN BUSINESS ENTERPRISE (WBE)		██████	████	█
SUB-TOTAL WOMEN & MINORITY BUSINESS ENTERPRISE		██████	████	█
SERVICE DISABLED VETERN BUSINESS ENTERPRISE (DVBE)		██████	████	█
TOTAL WMDVBE		██████	████	█
NON-WMDVBE		██████	████	█
TOTAL PROCUREMENT		██████	████	█

Note: Appendices A and B reflect that Cricket has been successful in exceeding its 2011 California spend goal of █████% (by █████%).

REDACTED

Appendix B

2011 Cricket Spend By SIC Code (CA - Minority)

D&B SIC	Spend	Category	Percentage of Total Spend
50	[REDACTED]	Wholesale Trade	[REDACTED]
50	[REDACTED]	Wholesale Trade	[REDACTED]
	[REDACTED]		[REDACTED]

2011 Cricket Spend By SIC Code (CA - Women Owned)

D&B SIC	Spend	Category	Percentage of Total Spend
47	[REDACTED]	Transportation, etc	[REDACTED]
73	[REDACTED]	Services	[REDACTED]
73	[REDACTED]	Services	[REDACTED]
73	[REDACTED]	Services	[REDACTED]
76	[REDACTED]	Services	[REDACTED]
81	[REDACTED]	Services	[REDACTED]
81	[REDACTED]	Services	[REDACTED]
87	[REDACTED]	Services	[REDACTED]
87	[REDACTED]	Services	[REDACTED]
89	[REDACTED]	Services	[REDACTED]
	[REDACTED]		[REDACTED]

2011 Cricket Spend By SIC Code (CA - Disabled Veteran Owned)

D&B SIC	Spend	Category	Percentage of Total Spend
87	[REDACTED]	Services	[REDACTED]
	[REDACTED]		[REDACTED]