



**WOMEN, MINORITY, AND DISABLED VETERAN  
BUSINESS ENTERPRISE  
ANNUAL REPORT AND ANNUAL PLAN**

**CPUC**

**January – December 2018**

**WOMEN, MINORITY, AND DISABLED VETERAN BUSINESS ENTERPRISE  
ANNUAL REPORT AND ANNUAL PLAN**

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**INTRODUCTION**

In accordance with the requirements of the California Public Utilities Commission, (CPUC) General Order 156, Verizon Wireless hereby electronically submits the attached Annual Report and Annual Plan that covers women, minority, disabled veteran, lesbian, gay, bisexual, and transgender-owned business enterprise (“WMDVLGBTBE” or “diverse suppliers”) activities from January 1, 2018 – December 31, 2018.

**OVERVIEW**

In 2018, Verizon Wireless spent 40.43% of its procurement dollars with diverse suppliers.

In the following sections of this report, Verizon Wireless discusses each topic in Sections 9.1.1 through 10.1.6.

**GO 156, §9.1.1: A description of WMDVLGBTBE program activities engaged in during the previous calendar year. Internal program activities.**

## **INTERNAL PROGRAM ACTIVITIES**

### Supplier Diversity and Inclusion at Verizon

Verizon's supplier diversity and inclusion program is built upon three pillars: education and awareness, partnership and collaboration, and measurement and accountability.

#### **Education and Awareness**

Through training programs, workshops and mentoring, we strive to ensure that our employees and prime suppliers understand the business case for supplier diversity and have an understanding of the economic impact diverse suppliers have in the communities we serve.

Verizon provides enterprise-wide training for all employees, as well as advanced training for sourcing; and in 2018, introduced customized supplier diversity training for sales . These training courses can be launched from Verizon's learning portal. Each module explains the importance of a diverse supply chain and provides guidance on responding to customer requests and diversity reporting requirements.

The supplier diversity team also facilitates Premier Supplier Academy sessions for diverse suppliers to educate them on how to do business with Verizon and to highlight tier 1 and tier 2 opportunities. These sessions are valuable networking opportunities as well so that diverse suppliers can build lasting connections within the Verizon business.

Verizon's mentorship program, EDGE (Educate, Develop, Grow and Enrich) which is a twelve-month program that provides diverse business owners with opportunities to enhance their leadership skills and business acumen through formal training and coaching. We connect mentees with subject matter experts from across our enterprise so they can best position their company for growth. We also collaborate with our community partners to provide educational scholarships to mentees. In 2018, Verizon worked to develop five mentees, three were CPUC certified.

#### **Partnership and collaboration**

The supplier diversity team partners with supplier diversity champions in the business to ensure diverse suppliers are given opportunities to compete for our business. These business champions are assigned by executive leadership and

collaborate as part of a cross-functional team to identify supplier diversity business opportunities enterprise-wide and advocate for the program by educating employees on the benefits of supplier diversity. The supplier diversity and business champion teams meet regularly on strategic initiatives and action plans.

Our robust supplier diversity initiatives also includes collaborating with champions across the business to create opportunities for diverse businesses. These champions advocate for the inclusion of diverse suppliers in sourcing initiatives. The supplier diversity team engages with the champions and sourcing teams on a monthly basis to review diverse suppliers' capabilities in key sourcing initiatives.

The supplier diversity team partners with sourcing and business stakeholders to identify opportunities for diverse suppliers in regular forecasting efforts. This process includes building benches of diverse suppliers in advance of bids and RFPs to ensure diverse suppliers are readily available for fast-to-market sourcing initiatives.

### **Measurement and Accountability**

Verizon has one of the most diverse board of directors in corporate America. Seven out of 12 board members are women and people of color. The supplier diversity target is tied to Verizon's short term incentive. This supports accountability of supplier diversity and inclusion across the enterprise. The board is responsible for approving the supplier diversity target annually.

Verizon's senior executive leadership team drives progress toward our goals. They receive quarterly updates and progress reports in the form of executive dashboards. The dashboards include the result of their organization's diverse spend against their annual target as well as strategies and action plans.

Our tier 2 program encourages prime suppliers to honor their commitment by subcontracting with diverse suppliers in their supply chain, ensuring those suppliers are certified through a Verizon authorized third-party diverse certification agency, mentoring diverse suppliers, partnering with Verizon to host educational workshops and opportunity seminars for diverse businesses, and submitting quarterly reports via our supplier portal that documents their spending with diverse suppliers. Our tier 2 program also includes supplier diversity commitment language in RFPs and procurement contracts.

**GO 156, §9.1.1: A description of WMDVLGBTBE program activities engaged in during the previous calendar year. External program activities.**

## **EXTERNAL PROGRAM ACTIVITIES**

### **Board Participation**

Leaders of Verizon serve on several organizational boards as officers and advisors. In addition to offering advice and counsel to diverse businesses on how to grow their business and assisting suppliers on how to meet Verizon's business needs, they also provide advice and counsel to these organizations to aid their efforts to attract and develop diverse suppliers.

### **Business Organization Involvement - Meetings, Conferences, Trade Fairs and Recognition Events**

Through our partnerships, Verizon supports chambers of commerce, business associations and supplier diversity organizations dedicated to helping diverse suppliers make valuable business connections. They provide technical assistance, capacity building and educational programs.

Our community partners include: the Women's Business Enterprise National Council, WEConnect, the National Minority Supplier Development Council, the United States Hispanic Chamber of Commerce, Asian/Pacific Islander American Chamber of Commerce, the National LGBT Chamber of Commerce, Disability:IN, The Elite Service Disabled Veteran Owned Business Network and the National Veteran Business Development Council.

Diversity is a corporate imperative at Verizon. Aligning with our customer base, engaging our communities, and attracting and retaining talented individuals are critical to our success.

### **Black Business Association of Los Angeles (BBA)**

Youth Entrepreneur Development – Verizon partnered with BBA to expose, inspire and train African American youth in the area of entrepreneurship to create their own sustainable opportunities; to train them in the important area of financial literacy; economic empowerment, self-reliance, and community building. Program participants will be paired with existing BBA-member businesses to expose them to entrepreneurship for mentoring and training to learn how to turn their passions into the dynamics of starting, running and maintaining a business.

### **California Asian Pacific Chamber of Commerce (CAPCC)**

Business Development Program for Disadvantaged Enterprises – Verizon partnered with CAPCC to provide training and assistance to small businesses in expanding their capacity to assume greater levels of contracting responsibility, compete for contracting opportunities and grow their businesses in the process.

### California Black Chamber of Commerce (CBCC)

Youth Entrepreneurship and Green Business Development – Verizon partnered with the CBCC to educate and train community leaders and entrepreneurs on ways and methods to be successful in business and create community economic development.

### Elite SDVOB Network

Verizon continued its partnership with the Elite SDVOB Network at the National Conference held in San Diego in 2018. The three-day event includes education panels, presentations, workshops, networking, and matchmaking meetings (Verizon held several such meetings).

### National Conferences and Events

Verizon's supplier diversity team and business champions partnered in one-on-one diverse supplier meetings at the NMSDC, WBENC, the Elite SDVOB, and NGLCC conferences, and on business panels to ensure progress was made to meet Verizon's WMDVLGBTBE goals.

### 2018 Awards & Recognition – Supplier Diversity and Inclusion

Million Dollar Club: U.S. Hispanic Chamber of Commerce

For eight consecutive years, Verizon was included in the USHCC's Million Dollar Club and was recognized for its commitment of doing business with Hispanic-owned business enterprises.

One of America's Top Corporations for Women: Women's Business Enterprise National Council. Verizon was recognized by the Women's Business Enterprise National Council as one of America's Top Corporations for Women's Business Enterprises with a Gold status.

Verizon scores 100% on Disability Equality Index: US Business Leadership Network.

Verizon received a 100% rating on the Disability Equality Index (DEI) demonstrating the value of our diverse and inclusive experiences for employees, customers and suppliers.

### Magazines

Verizon is recognized as part of the WE 100 corporations by Women's Enterprise USA that support women owned businesses through a robust Supplier Diversity program.

One of America's Most Admired Corporations for Supplier Diversity: Omnikal  
Omnikal recognized Verizon among its 2018 top 50 corporations in Supplier Diversity.

Top Veteran-Friendly Company: U.S. Veterans magazine  
US Veteran's Magazine voted Verizon's Supplier Diversity program as one of the nation's Best of the Best in supporting veteran owned companies.

#### Awards & Recognition -- Diversity and Inclusion

Top 100 Employer: Working Mother Magazine  
Verizon was ranked in the top 100 companies for women by Working Mother Magazine.

Top Military-Friendly Company: Military Friendly  
Verizon is the highest rated technology company when it comes to total commitment to tapping into military talent.

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#### **Awards & Recognition - Technology**

Highest in Overall Network Performance: RootMetrics®  
According to RootMetrics® National RootScore® Report, Verizon ranked number one in reliability, data, calls, speed and text.

Highest in Wireless Network Quality Performance: J.D. Power  
Verizon Wireless won more awards than any other wireless provider for a record 21st time and ranked highest in wireless network quality performance in all six regions of the U.S. according to the J.D. Power 2018 U.S. Wireless Network Quality Performance StudySM – Volume 2.

Most Extensive LTE Interstate Highway Coverage Across the Country  
Verizon Wireless was recognized as having the “biggest LTE footprint compared to the other three carriers” tested, according to a 2018 Connectivity on Interstates report conducted by P3.

P3 Mobile Benchmark USA 2018 and Best in Test Award  
P3 Group announced Verizon as the best in test and dominant in network coverage in their analysis of the four big U.S. providers, across three disciplines: Coverage, Data Speed, and Service Availability.

Best Network in Tutela 2018 Mobile Network Quality Study  
Verizon Wireless' network delivered the highest level of consistent quality in the U.S. It won in more than twice the number of states than the next best provider and was unbeaten across all five categories measured: Consistent Quality, Avg. Download Speed, Avg. Upload Speed, Latency and Packet Loss.



External Communication

Verizon provides valuable information to small and diverse businesses through our supplier diversity website at the following URL:  
<http://www.verizon.com/supplierdiversity>

This information includes requirements for diverse suppliers, information regarding our tier 2 program, our standards, answers to some of the frequently asked questions, our supplier diversity blog, as well as links to our social media channels.

**GO 156 §9.1.2: A summary of WMDVLGBTBE purchases and/or contracts, with breakdowns by ethnicity, product and service categories, compared with total utility contract dollars, awarded to outside vendors in those categories**

WMDVLGBTBE Annual Results by Ethnicity:

			[Year] of Report			
			Direct	Sub	Total \$	%
1	Minority Male	Asian Pacific American	\$492,913,828	\$32,512,395	\$525,426,223	11.23%
2		African American	\$260,049,495	\$15,144,586	\$275,194,081	5.88%
3		Hispanic American	\$75,215,084	\$19,867,512	\$95,082,596	2.03%
4		Native American	\$11,250,583	\$1,652,081	\$12,902,664	0.28%
5		Total Minority Male	\$839,428,991	\$69,176,574	\$908,605,565	19.42%
6	Minority Female	Asian Pacific American	\$172,370,940	\$5,026,868	\$177,397,808	3.79%
7		African American	\$6,464,886		\$6,464,886	0.14%
8		Hispanic American	\$588,130,639	\$6,402,024	\$594,532,663	12.70%
9		Native American		\$59,121	\$59,121	0.00%
10		Total Minority Female	\$766,966,466	\$11,488,013	\$778,454,479	16.63%
11	Total Minority Business Enterprise (MBE)		\$1,606,395,457	\$80,664,587	\$1,687,060,044	36.05%
12	Women Business Enterprise (WBE)		\$165,484,714	\$32,647,273	\$198,131,986	4.23%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$1,040,941	\$0	\$1,040,941	0.02%
14	Disabled Veteran Business Enterprise (DVBE)		\$4,995,190	\$789,979	\$5,785,169	0.12%
15	Other 8(a)*		\$0	\$0	\$0	0.00%
16	TOTAL WMDVLGBTBE		\$1,777,916,302	\$114,101,838	\$1,892,018,141	40.43%
17	Net Procurement**		\$4,679,809,675			

**NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE**  
**\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS**  
**Direct - DIRECT PROCUREMENT**  
**Sub - SUBCONTRACTOR PROCUREMENT**  
**% - PERCENTAGE OF NET PROCUREMENT**

WMDVLGBTBE Direct Procurement by Product and Service Categories:

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Direct	\$251,822,840	5.38%	\$241,090,988	5.15%	\$492,913,828	10.53%
2		African American	Direct	\$259,340,123	5.54%	\$709,372	0.02%	\$260,049,495	5.56%
3		Hispanic American	Direct	\$74,670,738	1.60%	\$544,346	0.01%	\$75,215,084	1.61%
4		Native American	Direct	\$11,250,583	0.24%		0.00%	\$11,250,583	0.24%
5		Total Minority Male	Direct	\$597,084,284	12.76%	\$242,344,706	5.18%	\$839,428,991	17.94%
6	Minority Female	Asian Pacific American	Direct	\$158,250,048	3.38%	\$14,120,893	0.30%	\$172,370,940	3.68%
7		African American	Direct	\$687,339	0.01%	\$5,777,547	0.12%	\$6,464,886	0.14%
8		Hispanic American	Direct	\$3,964,299	0.08%	\$584,166,340	12.48%	\$588,130,639	12.57%
9		Native American	Direct		0.00%		0.00%	\$0	0.00%
10		Total Minority Female	Direct	\$162,901,686	3.48%	\$604,064,780	12.91%	\$766,966,466	16.39%
11	Total Minority Business Enterprise (MBE)	Direct	\$759,985,970	16.24%	\$846,409,487	18.09%	\$1,606,395,457	34.33%	
12	Women Business Enterprise (WBE)	Direct	\$44,614,255	0.95%	\$120,870,459	2.58%	\$165,484,714	3.54%	
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Direct	\$0	0.00%	\$1,040,941	0.02%	\$1,040,941	0.02%	
14	Disabled Veteran Business Enterprise (DVBE)	Direct	\$4,016,762	0.09%	\$978,429	0.02%	\$4,995,190	0.11%	
15	Other 8(a)*	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%	
16	<b>TOTAL WMDVLGBTBE</b>	<b>Direct</b>	<b>\$808,616,986</b>	<b>17.28%</b>	<b>\$969,299,316</b>	<b>20.71%</b>	<b>\$1,777,916,302</b>	<b>37.99%</b>	
17	Total Product Procurement			\$2,278,930,403					
18	Total Service Procurement			\$2,400,879,272					
19	Net Procurement**			\$4,679,809,675					
20	Total Number of WMDVLGBTBEs that Received Direct Spend			81					

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT  
 % - PERCENTAGE OF NET PROCUREMENT

WMDVLGBTBE Subcontractor Procurement by Product and Service Categories:

			Products		Services		Total		
			\$	%	\$	%	\$	%	
1	Minority Male	Asian Pacific American	Sub	\$31,609,721	0.68%	\$902,674	0.02%	\$32,512,395	0.69%
2		African American	Sub	\$12,656,643	0.27%	\$2,487,942	0.05%	\$15,144,586	0.32%
3		Hispanic American	Sub	\$18,864,601	0.40%	\$1,002,911	0.02%	\$19,867,512	0.42%
4		Native American	Sub	\$1,652,081	0.04%		0.00%	\$1,652,081	0.04%
5		Total Minority Male	Sub	\$64,783,047	1.38%	\$4,393,528	0.09%	\$69,176,574	1.48%
6	Minority Female	Asian Pacific American	Sub	\$4,916,470	0.11%	\$110,398	0.00%	\$5,026,868	0.11%
7		African American	Sub		0.00%		0.00%	\$0	0.00%
8		Hispanic American	Sub		0.00%	\$6,402,024	0.14%	\$6,402,024	0.14%
9		Native American	Sub	\$59,121	0.00%		0.00%	\$59,121	0.00%
10		Total Minority Female	Sub	\$4,975,591	0.11%	\$6,512,422	0.14%	\$11,488,013	0.25%
11	Total Minority Business Enterprise (MBE)		Sub	\$69,758,638	1.49%	\$10,905,949	0.23%	\$80,664,587	1.72%
12	Women Business Enterprise (WBE)		Sub	\$15,738,041	0.34%	\$16,909,232	0.36%	\$32,647,273	0.70%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$63,055	0.00%	\$726,924	0.02%	\$789,979	0.02%
15	Other 8(a)*		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Sub	\$85,559,734	1.83%	\$28,542,105	0.61%	\$114,101,838	2.44%
17	Total Product Procurement	\$2,278,930,403							
18	Total Service Procurement	\$2,400,879,272							
19	Net Procurement**	\$4,679,809,675							

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT  
 % - PERCENTAGE OF NET PROCUREMENT

WMDVLTGPTBE Procurement by Standard Industrial Categories:

NAICS	SIIC Descrptn	Asia Pacific/American	African American	Hispanic American	Native American	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Disadvantaged Business Enterprise (DBE)	Total	Total
0	Construction - General Contractors & Operative Builders	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$4,610,432	\$6,271,632
0	Heavy Construction, Except Building Construction, Contractor	\$0	\$0	\$63,126	\$0	\$11,76,468	\$0	\$0	\$82,073	\$5,271,341
0	Construction - Special Trade Contractor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$3,729	\$98,892
0	Printing, Publishing and Allied Industries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,035,314	\$10,495,427
0	Fabricated Metal Products	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$6,461,066	\$4,487,842
0	Electronic & Other Electrical Equipment & Components	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$2,200,272	\$23,029,424
0	Measuring, Photographic, Medical, & Optical Goods, & Glass	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$2,442	\$4,038,241
0	Meter, Freight Transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,020,161	\$12,291,245
0	Communication	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,993,191	\$19,264,004
0	Wholesale Trade - Durable Goods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,846	\$3,041,423
0	Wholesale Trade - Non-durable Goods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$163,719,426	\$29,035,851
0	Retail Furniture, Fixtures and Equipment Stores	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,832	\$48,039,092
0	Retail Expts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,832	\$48,039,092
0	Business Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$329,831,044	\$1,028,431,128
0	Mitigation/Repair Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,017,110	\$6,039,341
0	Legal Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$19,621	\$14,132,321
0	Social Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$14,011,194	\$14,011,194
0	Engineering, Architectural, Research, and Development Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,232	\$17,429,210
0	Service, Not Elsewhere Classified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,028,382	\$1,028,382
0	Other***	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	\$19,848,092
TOTAL	\$492,419,423	\$172,379,049	\$269,049,495	\$5,464,616	\$75,215,694	\$318,139,453	\$11,259,533	\$0	\$1,045,395,457	\$1,045,395,457
		\$4,932	\$3,432	\$5,952	\$1,162	\$2,572	\$262	\$0	\$4,932	\$3,432

NOTE: FIGURES WITH MINORITY MEMBERSHIP STATUS  
 \* FIGURES CLASSIFIED AS THIS OF SMALL BUSINESS ADMINISTRATION INCLUDES 8(a) AND 501(C)3  
 \*\* NET PROCUREMENT INCUBER PARTICIPANT ORDER, 8(a) PARTICIPANT ORDER, AND CREDIT CARD PURCHASE  
 \*\*\* TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY  
 X - PERCENTAGE OF TOTAL DOLLARS  
 \*\*\*\* SIC Code - 01 - Business - Special In. 7, 8, 94, 98, 99, 92, 94, 96, 98, 99, 35, 38, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99

Table represents only Direct Spend

Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse:

Data on Number of Suppliers												
# WMDVLGBTBEs	Revenue Reported to CHS						Utility-Specific 2018 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	3	4	0	1	0	8	19	12	0	2	0	33
Under \$5 million	9	5	0	1	0	15	15	13	1	1	0	30
Under \$10 million	3	7	1	1	0	12	1	6	0	0	0	7
Above \$10 million	30	16	0	0	0	46	10	1	0	0	0	11
<b>TOTAL</b>	<b>45</b>	<b>32</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>81</b>	<b>45</b>	<b>32</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>81</b>

Revenue and Payment Data												
WMDVLGBTBE \$M	Revenue Reported to CHS						Utility-Specific 2018 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$ 2.3	\$ 1.3	\$ -	\$ 0.4	\$ -	\$ 4.0	\$ 8.2	\$ 3.3	\$ -	\$ 1.8	\$ -	\$ 13.3
Under \$5 million	\$ 22.2	\$ 14.3	\$ -	\$ 4.7	\$ -	\$ 41.2	\$ 42.0	\$ 31.0	\$ 1.0	\$ 3.2	\$ -	\$ 77.3
Under \$10 million	\$ 17.7	\$ 52.7	\$ 5.0	\$ 8.8	\$ -	\$ 84.2	\$ 6.1	\$ 52.6	\$ -	\$ -	\$ -	\$ 58.7
Above \$10 million	\$ 18,542.5	\$ 2,754.6	\$ -	\$ -	\$ -	\$ 21,297.1	\$ 1,550.1	\$ 78.6	\$ -	\$ -	\$ -	\$ 1,628.6
<b>TOTAL</b>	<b>\$ 18,584.7</b>	<b>\$ 2,822.9</b>	<b>\$ 5.0</b>	<b>\$ 13.9</b>	<b>\$ -</b>	<b>\$ 21,426.5</b>	<b>\$ 1,606.4</b>	<b>\$ 165.5</b>	<b>\$ 1.0</b>	<b>\$ 5.0</b>	<b>\$ -</b>	<b>\$ 1,777.9</b>

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 CHS: SUPPLIER CLEARINGHOUSE

Description of Number of WMDVLGBTBE Suppliers with California Majority Workforce:

Verizon Wireless does not track this information.

**GO 156 §9.1.3: An itemization of WMDVLGBTBE program expenses.**

<b>Expense Category</b>	<b>2018 Actuals</b>
Wages*	\$70,750
Other Employee Expense	\$0
CPUC Clearinghouse	\$66,312
Program Expense	N/A
Technical Assistance	N/A
Total	\$137,062

The table above represents program expenses from Verizon's external affairs, regulatory, legal, supplier diversity organizations, as well as additional support.

\*Note: the wages entry reflects the supplier diversity department wages only. The Regulatory department wages are not reflected above.



**GO 156, § 9.1.4: A description of progress in meeting or exceeding set goals and an explanation of any circumstances that may have caused the utility to fall short of its goals**

In 2018, Verizon Wireless spent 40.41% of its procurement dollars with women, minority and disabled veteran owned business enterprises (WMDVBEs).

**Women Business Enterprises (WBE)**

WBE purchases accounted for \$198.1 million of total purchases in 2018. This resulted in a 4.23% WBE spend, falling short of the 2018 goal of 5.00%.

Overall spend decreased with WBEs year-over-year. Verizon will focus on increasing opportunities with WBEs in 2019.

**Minority Business Enterprises (MBE)**

MBE purchases accounted for \$1.69 billion of total purchases in 2018. This resulted in a 36.05% MBE spend, surpassing the 2018 goal of 15.00%.

**Disabled Veteran Business Enterprises (DVBE)**

DVBE purchases accounted for \$5.8 million of total purchases in 2018. This resulted in a 0.12% DVBE spend, falling short of the 2018 goal of 1.50%.

Although we increased our overall spend with DVBE's year-over-year (prior year DVBE spend was \$5.1M), additional focus will be made in 2018 on DVBE subcontracting opportunities.

WMDVLGBTBE Results and Goals:

Category	2018 Results	2018 Goals
Minority Men	19.42%	0.00%
Minority Women	16.63%	0.00%
Minority Business Enterprise (MBE)	36.05%	15.00%
Women Business Enterprise (WBE)	4.23%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.02%	0.00%
Disabled Veteran Business (DVBE)	0.12%	1.50%
<b>TOTAL WMDVLGBTBE</b>	<b>40.43%</b>	<b>21.50%</b>

% - PERCENTAGE OF NET PROCUREMENT

**GO 156, § 9.1.5: A summary of prime contractor utilization of WMDVBE subcontractors.**

In 2018, Verizon Wireless continued with a multi-tier focus, identifying direct and subcontracting opportunities to increase spend across numerous categories. This focus included partnering with the business and our sourcing organization, as well as working with our prime suppliers, to ensure they engaged with diverse suppliers in their procurement processes.

Prime suppliers submitted second tier spend with WMDVBE suppliers in the following categories:

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDV/LGBTBE
<b>Direct \$</b>	\$839,428,991	\$766,966,466	\$1,606,395,457	\$165,484,714	\$1,040,941	\$4,995,190		\$1,777,916,302
<b>Subcontracting \$</b>	\$69,176,574	\$11,488,013	\$80,664,587	\$32,647,273	\$0	\$789,979		\$114,101,838
<b>Total \$</b>	<b>\$908,605,565</b>	<b>\$778,454,479</b>	<b>\$1,687,060,044</b>	<b>\$198,131,986</b>	<b>\$1,040,941</b>	<b>\$5,785,169</b>	<b>\$0</b>	<b>\$1,892,018,141</b>

<b>Direct %</b>	17.94%	16.39%	34.33%	3.54%	0.02%	0.11%	0.00%	37.99%
<b>Subcontracting %</b>	1.48%	0.25%	1.72%	0.70%	0.00%	0.02%	0.00%	2.44%
<b>Total %</b>	<b>19.42%</b>	<b>16.63%</b>	<b>36.05%</b>	<b>4.23%</b>	<b>0.02%</b>	<b>0.12%</b>	<b>0.00%</b>	<b>40.43%</b>

<b>Net Procurement**</b>	<b>\$4,679,809,675</b>
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NOTE: \*FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDV/LGBTBE

\*\*NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

% - PERCENTAGE OF NET PROCUREMENT

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

**GO 156, § 9.1.6: A list of WMDVLGBTBE complaints received during the past year, accompanied by a brief description of the nature of each complaint and its resolution or current status.**

Verizon Wireless is proactive in resolving issues that arise as a result of direct or subcontracting relationships. There were no formal complaints in 2018 or informal complaints of which Verizon Wireless is aware.

**GO 156, § 9.1.7: Summary of purchases/contracts for products/services in excluded categories**

Verizon Wireless did not exclude any product/service category from its purchase base. Only exclusions specifically stated in General Order 156, Section 8 such as payments to other utilities, government fees and taxes and Verizon affiliates are excluded.

**GO 156, § 9.1.8: A description of any efforts made to recruit WMDVLGBTBE suppliers of products or services in procurement categories where WMDVLGBTBE utilization has been low, such as legal and financial services, fuel procurement, and areas that are considered highly technical in nature.**

## **LEGAL SERVICES**

Verizon continued its commitment to the Commission's efforts to increase supplier diversity within the legal profession. Verizon's diversity initiatives include the following:

### ABA Resolution 113:

Verizon is committed to increasing diversity in legal profession. In furtherance of this commitment, Verizon joined in the General Counsel Initiative to Implement the American Bar Association's Resolution 113. This Resolution urges all providers of legal services, including corporations and law firms, to expand and create opportunities at all levels of responsibility for diverse attorneys. As part of the Initiative to Implement Resolution 113, we require our U.S. based law firms providing legal services to Verizon or competing for Verizon's business to complete the ABA Model Survey

### Selection of Outside Counsel

Verizon requires all of its firms to provide diversity-related information for their timekeepers in our Tymetrix 360 system. These fields must be completed to submit timekeeper rates and to bill timekeepers' time on invoices. Diversity is a key component of selection of outside counsel.

### Engage Excellence Program

Verizon, along with DuPont, General Mills, and Walmart, launched the Engage Excellence minority lawyer inclusion incentive program in 2014. The effort is designed to engage diverse lawyers on significant matters and promote diversity in majority law firms.

The companies pledge to hire diverse lawyers within law firms to be lead counsel on significant matters and require each firm to assign a diverse legal team to those matters. Diverse lawyers include Latino, Black, Asian, and LGBT attorneys with supervisory experience in a wide array of legal subject matters, including intellectual property, commercial and patent litigation, healthcare, corporate transactional and governance, employment and environmental law.

**GO 156, §9.1.9: Utilities shall retain all documents and data they rely on in preparing their WMDVLGBTBE annual report for the longer of either three years or in conformance with the utilities' individual document retention policies, and shall provide these documents and data to the Commission upon request.**

Verizon Wireless will comply with the requirements specified in GO156.

**GO 156, §9.1.10a Each utility which elects to report fuel procurement separately must file with the Executive Director by March 1 of each year, beginning in 1991, a separate detailed and verifiable report on WMDVLGBTBE participation in fuel markets.**

This section does not apply to Verizon.



**GO 156, §9.1.10b: Utilities shall summarize WMDVLGBTBE purchases and/or contracts in product and service categories that include renewable and nonrenewable energy, wireless communications, broadband, smart grid, and rail projects, in addition to their current reporting categories. Utilities have discretion to segregate overlapped dollars.**

The WBE, MBE, and DVBE summary of purchases in the product and service categories indicated above are depicted in the "WMDVLGBTBE Procurement by Standard Industrial Categories" table on page 13 of this report.

Section 10 of GO 156 requires utilities to discuss their plans for supplier diversity expenditures for the next reporting year. Verizon Wireless' plan is as follows:

**GO 156, §10.1.1: Short, mid and long terms goals by product and service category.**

Verizon Wireless has surpassed the overall goal of 21.5%. In 2018 we achieved an overall 40.43% which surpasses our 2021 long term GO 156 overall goal of 24.2%. In addition we achieved an MBE diverse spend of 36.05%, which surpasses our MBE goal of 19.1%. We are on track to surpass our 2021 long term goal for WBE of 5.2%, achieving 4.23% in 2018.

	Short-Term [Year]					Mid-Term [Year]					Long-Term [Year]				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender or Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	VMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender or Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	VMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender or Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	VMDVLGBTBE
<b>Products</b>															
Construction – General Contractors & Operative Builders	5.88%	1.4%	0.00%	0.00%	7.28%	5.99%	1.43%	0.00%	0.00%	7.43%	6.1%	1.46%	0.00%	0.00%	7.58%
Heavy Construction, Except Building Construction, Contractors	20.09%	18.48%	0.00%	0.00%	38.57%	20.49%	18.85%	0.00%	0.00%	39.35%	20.90%	19.23%	0.00%	0.00%	40.13%
Construction – Special Trade Contractors	58.75%	4.1%	0.00%	0.00%	62.86%	59.93%	4.18%	0.00%	0.00%	64.1%	61.13%	4.27%	0.00%	0.00%	65.39%
Printing, Publishing and Allied Industries	15.74%	0.00%	0.00%	0.00%	15.74%	16.05%	0.00%	0.00%	0.00%	16.05%	16.37%	0.00%	0.00%	0.00%	16.37%
Fabricated Metal Products	0.00%	36.78%	0.00%	0.00%	36.78%	0.00%	37.49%	0.00%	0.00%	37.49%	0.00%	38.24%	0.00%	0.00%	38.24%
Electronic & Other Electrical Equipment & Components	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Measuring, Photographic, Medical, & Optical Goods, & Clocks	0.00%	0.00%	0.00%	0.00%	14.08%	14.08%	0.00%	0.00%	0.00%	14.36%	14.36%	0.00%	0.00%	0.00%	14.64%
Motor Freight Transportation	2.08%	0.00%	0.00%	0.00%	2.08%	2.13%	0.00%	0.00%	0.00%	2.13%	2.17%	0.00%	0.00%	0.00%	2.17%
Communications	5.23%	4.57%	0.00%	0.00%	9.86%	5.40%	4.66%	0.00%	0.00%	10.05%	5.50%	4.75%	0.00%	0.00%	10.25%
Wholesale Trade – Durable Goods	73.71%	1.63%	0.00%	0.1%	75.45%	75.18%	1.66%	0.00%	0.12%	76.96%	76.68%	1.70%	0.00%	0.12%	78.50%
Wholesale Trade – Nondurable Goods	0.00%	0.30%	0.00%	0.00%	0.30%	0.00%	0.32%	0.00%	0.00%	0.32%	0.00%	0.34%	0.00%	0.00%	0.34%
Home Furniture, Furnishings and Equipment Stores	71.45%	1.82%	0.00%	0.00%	73.27%	72.86%	1.86%	0.00%	0.00%	74.74%	74.33%	1.90%	0.00%	0.00%	76.23%
Real Estate	0.02%	3.91%	0.00%	0.00%	3.93%	0.02%	3.99%	0.00%	0.00%	4.0%	0.02%	4.07%	0.00%	0.00%	4.09%
<b>Subtotal</b>	<b>16.56%</b>	<b>0.97%</b>	<b>0.00%</b>	<b>0.09%</b>	<b>17.62%</b>	<b>16.90%</b>	<b>0.99%</b>	<b>0.00%</b>	<b>0.09%</b>	<b>17.98%</b>	<b>17.23%</b>	<b>1.01%</b>	<b>0.00%</b>	<b>0.09%</b>	<b>19.34%</b>
<b>Services</b>															
Personal Services	15.57%	6.37%	0.07%	0.00%	22.01%	15.88%	6.50%	0.07%	0.00%	22.45%	16.20%	6.63%	0.07%	0.00%	22.90%
Business Services	0.00%	44.00%	0.00%	0.00%	44.00%	0.00%	44.88%	0.00%	0.00%	44.88%	0.00%	45.77%	0.00%	0.00%	45.77%
Miscellaneous Repair Services	1.64%	0.00%	0.00%	0.00%	1.64%	1.67%	0.00%	0.00%	0.00%	1.67%	1.7%	0.00%	0.00%	0.00%	1.7%
Legal Services	98.00%	0.00%	0.00%	0.00%	98.00%	98.00%	0.00%	0.00%	0.00%	98.00%	98.00%	0.00%	0.00%	0.00%	98.00%
Engineering, Accounting, Research, and Management Services, Not Elsewhere Classified	77.19%	1.86%	0.00%	0.13%	79.18%	78.73%	1.90%	0.00%	0.13%	80.78%	80.3%	1.94%	0.00%	0.13%	82.38%
Services, Not Elsewhere Classified	15.83%	11.22%	0.00%	0.00%	27.05%	16.35%	11.44%	0.00%	0.00%	27.59%	16.47%	11.67%	0.00%	0.00%	28.14%
<b>Subtotal</b>	<b>18.45%</b>	<b>2.63%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>21.13%</b>	<b>18.82%</b>	<b>2.69%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>21.55%</b>	<b>19.18%</b>	<b>2.74%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>21.98%</b>
<b>TOTAL</b>	<b>35.01%</b>	<b>3.61%</b>	<b>0.02%</b>	<b>0.11%</b>	<b>38.75%</b>	<b>35.7%</b>	<b>3.68%</b>	<b>0.02%</b>	<b>0.11%</b>	<b>39.53%</b>	<b>36.43%</b>	<b>3.75%</b>	<b>0.02%</b>	<b>0.11%</b>	<b>40.32%</b>

<b>GO 156, §10.1.2: A description of WMDVLGBTBE program activities planned for the next calendar year (internal program activities).</b>
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**PLANNED WMDVLGBTBE PROGRAM ACTIVITIES FOR 2019**

Verizon will continue to make concerted efforts to strengthen its supplier diversity activities:

Internal Program Activities

Verizon understands a successful supplier diversity program requires objective goal setting and business alignment. We also make a point to develop strong relationships with diverse suppliers and provide mentoring and industry-level coaching so that each and every supplier has the tools needed to compete in the global marketplace. We will continue to do the following:

In reach and Awareness

- Drive the inclusion of qualified diverse suppliers as subcontractors/2<sup>nd</sup> tier suppliers in Verizon procurement opportunities.
- Analyze and increase utilization in low and non-traditional services such as legal, financial and investment management areas.
- Continue to strategically partner and collaborate with sourcing, business stakeholders and suppliers to develop and implement strategies to increase diverse spend.
- Assess direct and indirect procurement opportunities by identifying key RFPs with an impact on Verizon Wireless.
- Collaborate with sourcing teams to build benches of diverse suppliers to ensure readiness for procurement opportunities.
- Partner with Sourcing and strategic prime suppliers to ensure multi-tier diversity inclusion.
- Leverage business stakeholders that may impact the use of diverse suppliers in California.
- The supplier diversity team will continue to provide access to training across the enterprise and to prime suppliers. These trainings provide information on why supplier diversity is important to Verizon, the certification process, and tier 2 reporting.

- Educate, increase awareness and work closely with prime suppliers to ensure they meet their spend requirements.
- Consistently monitor, review and analyze reports to track progress to ensure diversity initiatives are being executed.
- Collaborate with diverse advocacy organizations and prime suppliers in support of doing business with WMDVLGBTBE suppliers.
- Support and mentor suppliers by building on their successes, providing favorable feedback, and suggest partnerships with organizations that work to improve their business opportunities.
- The Supplier Diversity team will launch the next class for the EDGE (educate, develop, grow and enrich) program. Our program is designed to provide diverse business owners with an opportunity to learn from our senior leaders in the areas of business operations improvement, leadership capabilities and Verizon's business model. Mentees are comprised of CEOs and/or presidents and are existing suppliers to Verizon.
- Encourage prime suppliers to diversify their own base of suppliers and subcontractors, and develop relationships that would be mutually beneficial.
- Analyze and report the economic impact of doing business with diverse businesses.
- Collaborate with public policy team and business champions to determine market area growth opportunities and implement gap closure plans where needed.

<b>GO 156, §10.1.2: A description of WMDVLGBTBE program activities planned for the next calendar year (external program activities).</b>
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### External Program Activities

Verizon is committed to driving a diverse and inclusive supply chain. We believe including diverse businesses in our sourcing process provides us with the greatest opportunity to offer innovative, high quality, and cost-effective business solutions for our customers. Verizon will continue to participate with community partnerships that advocate and promote supplier diversity to increase the utilization of diverse suppliers.

### Outreach and Advocacy

- Provide guidance and training to prime suppliers on tier two spend reporting.
- Support and partner with various chambers of commerce and business associations to conduct one-on-one meetings between WMDVLGBTBEs and Verizon's procurement category managers to align on current opportunities in California and general Verizon requirements for the applicable product or service.
- Facilitate Verizon Premier Supplier Academy sessions to educate, engage, and promote awareness of Verizon's requirements and opportunities with diverse suppliers.
- Develop existing WMDVLGBTBEs for 2<sup>nd</sup> tier opportunities.
- Encourage diverse suppliers to achieve and maintain certifications, and to enter and update their profiles in our website registration database.
- Participate in local, regional and national supplier diversity events which include: conferences, forums, symposiums, trade fairs, workshops, match making sessions and panel discussions.
- Leverage active partnerships with the CPUC, Joint Utilities, the Elite Service Disabled Veteran Owned Business Network (SDVOB), and various chamber organizations to build awareness of Verizon's procurement requirements.
- Monitor results and work closely with prime suppliers to ensure that they meet their 2<sup>nd</sup> tier spend requirements; review and expand areas of opportunity for diverse spend.

- Continue our investment in and partnering with California minority business associations to provide their members with technical assistance programs.
- Partner with the NGLCC: National LGBT Chamber of Commerce, to increase Verizon's bench of qualified of LGBT owned suppliers.
- Identify existing diverse suppliers that have not obtained third party certification and encourage certification.

**GO 156, §10.1.3: Plans for recruiting WMDVLGBTBE suppliers of products or services where WMDVLGBTBE utilization has been low, such as legal and financial services, fuel procurement, and areas that are considered highly technical in nature.**

- The company will continue with our community partnerships dedicated to helping diverse suppliers make valuable business connections.
- Continue participation in relevant forums throughout the state in order to identify diverse suppliers in these areas.
- We will continue to work with prime suppliers in such areas as technology, legal and financial services to encourage the use of WMDVLGBTBEs.
- Continue to develop and leverage best practices within the industry for enhancing sustainable supplier diversity growth.
- Verizon will utilize the numerous diverse databases for identifying and vetting diverse suppliers for procurement opportunities, as well as opportunities to add them to category “benches”.
- We will continue to focus on identifying and positioning women, African Americans and LGBT suppliers for opportunities in our supply chain.

**GO 156, §10.1.4: Plans for seeking and/or recruiting WMDVLGBTBE suppliers of products or services in any “excluded category” of products or services which has been removed from the procurement dollar base used to set goals because of the established unavailability of WMDVLGBTBE suppliers.**

The CPUC issued Decision 05-11-024 on November 13, 2005 in which it eliminated the use of exclusions in reporting diversity procurement results. Verizon Wireless has not used exclusions in providing this report.



**GO 156, §10.1.5: Plans for encouraging both prime contractors and grantees to engage WMDVLGBTBE in subcontracts in all categories that provide subcontracting opportunities.**

The strategic sourcing and the supplier diversity teams work closely together to review existing agreements to ensure standard supplier diversity language is included in our master service agreements and that prime suppliers with diversity commitments comply with tier 2 reporting requirements.

**GO 156, §10.1.6: Plans for complying with WMDVLGBTBE program guidelines.**

Verizon Wireless will comply with the General Order 156 program guidelines.