

SUPPLIER DIVERSITY MEMORANDUM OF UNDERSTANDING

I. INTRODUCTION

This Memorandum of Understanding ("MOU") between the Public Service Commission of Maryland ("Commission") and AT&T Enterprises, LLC ("Company") memorializes the understanding that the Company voluntarily will develop, implement and consistently report on their activities and accomplishments in promoting a strategy designed to create viable and prosperous women, minority, LGBT, veteran, service-disabled-veteran-owned business enterprises and SBA-certified HUBZone businesses¹ ("Diverse Suppliers") by providing them with the maximum opportunity to participate in and compete for contracts and subcontracts in the Company's supply chain for goods and services that support the Company and to encourage and assist, when reasonable, its Prime Contractors to develop plans to increase the utilization of Diverse Suppliers as Subcontractors. The Company's activities shall be conducted consistent with reasonable and competitive procurement practices and consistent with the Company's primary public service obligation to ensure that utility services are provided to the ratepayers in the state of Maryland at just and reasonable rates.

The goal of the Company shall be to award 21.5% of the Company's total dollar spend for Company contracts, subcontracts, and purchase orders for products and services governed by this MOU to Diverse Suppliers. While the Commission and the Company acknowledge that this is an aggressive goal for the Company, that it is uncertain whether the aspirational goal can be achieved, and that no specific timetable is set to accomplish this goal, the Company commits to using its best reasonable efforts to meet the 21.5% goal. The Commission and the Company anticipate that the Company will consistently work towards this goal; however, the Commission and the Company recognize that progress towards the goal is dependent upon, and affected by, the availability of competitive Diverse Suppliers. The Commission and the Company agree that in its efforts to achieve its Diverse Supplier objectives, the Company shall not be limited to using, however, will make every effort to use, Maryland-based Diverse Suppliers.

To implement this strategy, the Company will develop and implement procedures and reporting requirements consistent with this MOU to ensure that Diverse Suppliers have the

¹ Only SBA-certified HUBZone businesses will be included, as per the SBA guidelines, and in the circumstance of a supplier that qualifies for more than one category of diverse supplier, a utility will count the supplier based on race or gender rather than HUBZone.

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maximum opportunity to compete for the Company's contracts and subcontracts for the purchase of all goods and services governed by this MOU, including, but not limited to, equipment, supplies, materials, construction ventures, legal, accounting and financial services, technology-related research and development, testing, and other procurable goods and services and to encourage and assist, where reasonable, its Prime Contractors to develop plans to increase the utilization of Diverse Suppliers as Subcontractors. This MOU supersedes and replaces, in its entirety, all memoranda (if any) previously executed by the Company and the Commission regarding this matter and is applicable until amended, terminated, or replaced by a new MOU or state or federal law.

Through this MOU, the Company commits to facilitate contracting opportunities for Diverse Suppliers. The Company agrees to review both its existing procurement and Diverse Supplier procurement programs on an annual basis, and, where needed, modify its programs and inform the Diverse Supplier community of changes in a timely fashion, with the goal of further ensuring that Diverse Suppliers will have the maximum opportunity to participate and succeed in the competition for contracts for goods and services. Finally, the Company and the Commission agree that this MOU will be reviewed every five years and may be revised from time to time, with the consent of both parties, as experience is gained in its application.

II. STANDARDS

1. General

1.1. Intent

- 1.1.1. Economic Impact. This MOU shall not be used to require Diverse Suppliers to accept contractual provisions at wages for the Diverse Suppliers' employees that are less than the prevailing wage for the type of service provided. Similarly, this MOU shall not be used to require the Company to accept anything other than the lowest qualified bid.
- 1.1.2. Change of Provisions. This MOU may be revised on the basis of experience gained in its application and/or changes in

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legislation. Either the Company or the Commission Staff may petition the Commission for the purpose of amending this MOU. Any such petition shall clearly set forth the changes proposed and the supporting rationale.

1.2. Definitions

1.2.1. "Certification" means the determination that a legal entity is a woman, minority, LGBT, veteran, or service-disabled-veteran-owned business enterprise.

1.2.2. "Certified Diverse Supplier" means a Diverse Supplier that holds a Certification.

1.2.3. "Commission" means the Public Service Commission of Maryland as provided for in the Public Utilities Article of the Annotated Code of Maryland.

1.2.4. "Complaint" means a written objection (including an objection sent to a designated web page or email address used exclusively for the purpose of receiving such complaints), either to a decision not to utilize a Diverse Supplier or to a Diverse Supplier's treatment once it is selected by the Company to perform a contract, which is directed to the Company's executives or is referred to the Company by the Commission.

1.2.5. "Control" means exercising the power to make policy decisions.

1.2.6a "Diverse Supplier" means any legal entity that is:

(i) organized to engage in commercial transactions;

(ii) at least 51% owned and Controlled by one or more individuals who are Socially and Economically Disadvantaged; and,

(iii) managed by, and the daily business operations of which are Controlled by, one or more of the Socially and Economically

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Disadvantaged Individuals who own it.

1.2.6b "Diverse Supplier" includes a not-for-profit entity organized to promote the interests of physically or mentally disabled individuals.

1.2.6.c "Diverse Supplier" includes SBA-certified HUBZone businesses, which are defined as –

- (i) be a small business according to SBA size standards;
- (ii) be at least 51% owned and controlled by U.S. citizens, a Community Development Corporation, an agricultural cooperative, an Alaska Native corporation, a Native Hawaiian organization, or an Indian tribe;
- (iii) have its principal office located in a HUBZone²
- (iv) have at least 35% of its employees living in a HUBZone

1.2.7. "Economically Disadvantaged Individual" means a Socially Disadvantaged Individual whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

1.2.8. "Goal" means a target that, when achieved, indicates progress in a preferred direction. A Goal is neither a quota nor a set-aside. In the Commission's Memorandum of Understanding program, the levels of goals are 15% for an initial program goal, 20% for a developing program goal, and 25% for a mature program goal. The Company may update the Goal delineated in this MOU by providing a Target Goal Amendment (See Appendix) to the Commission.

1.2.9. "Minority Business Enterprise" means that subset of Diverse Suppliers that are owned, Controlled, and managed by individuals

² <https://www.sba.gov/federal-contracting/contracting-assistance-programs/hubzone-program>

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included in Section 1.2.14(i)(1)-(4).

1.2.10. "NAICS Codes" means the North American Industry Classification System. For purposes of this MOU, the Company has agreed to utilize the three-digit NAICS Codes.

1.2.11. "Operate" means being actively involved in the day-to-day management and not merely acting as officers or directors.

1.2.12. "Prime Contractor" or "Tier I Contractor" means any party or person (who is not an employee of the Company) who enters into any agreement or arrangement with a Company for the furnishing of supplies or services for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts.

1.2.13. "Service-Disabled Veteran Business Enterprise" means that subset of Diverse Suppliers that are owned, Controlled, and managed by individuals included in Section 1.2.14(i)(8).

1.2.14. "Socially and Economically Disadvantaged Individual" means a citizen or lawfully admitted permanent resident of the United States who is:

(i) in any of the following minority groups:

1. African-American – An individual having origins in any of the Black racial groups of Africa;
2. American Indian/Native American – An individual having origins in any of the original peoples of North America and who is a documented member of a North American tribe, band, or otherwise has a special relationship with the United States or a state through treaty, agreement, or some other form of recognition.

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This includes an individual who claims to be an American Indian/Native American and who is regarded as such by the American Indian/Native American community of which the individual claims to be a part, but does not include an individual of Eskimo and Aleutian origin;

3. Asian – An individual having origins in the Far East, Southeast Asia, or the Indian subcontinent, and who is regarded as such by the community of which the person claims to be a part;
4. Hispanic – An individual of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race, and who is regarded as such by the community of which the person claims to be a part;
5. LGBT – An individual who identifies as being lesbian, gay, bisexual, or transgender;
6. Veteran – An individual who served in any branch of the United States military;
7. Physically or Mentally Disabled – An individual who has an impairment that substantially limits one or more major life activities, who is regarded by the community as having such a disability, and whose disability has substantially limited his or her ability to engage in competitive business;
8. Service-Disabled Veteran – A veteran who possesses a disability rating letter issued by the Department of Veterans Affairs,

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establishing a service-connected rating between 0 and 100% or a disability determination from the Department of Defense; or,

9. Women – A woman, regardless of race or ethnicity; or,

(ii) otherwise found by a Third-Party Certifying Agent to be a Socially and Economically Disadvantaged Individual.

1.2.15. "Socially Disadvantaged Individual" means an individual who has been subjected to racial or ethnic prejudice or cultural bias within American society because of membership in a group and without regard to individual qualities. Social disadvantage must stem from circumstances beyond the control of the individual and is based on racial, ethnic, gender, religious, or other orientation.

1.2.16. "Subcontractor" or "Tier II Contractor" means any party or person (who is not an employee of the Prime Contractor) who enters into any agreement or arrangement with a Prime Contractor:

(i) For the furnishing of supplies or services for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts; or

(ii) Under which any portion of the Prime Contractor's obligation under any one or more contracts is performed, undertaken, or assumed.

1.2.17. "Third-Party Certification" means Certification by a Third-Party Certifying Agent.

1.2.18. "Third-Party Certifying Agent" means an entity that is included on the list maintained by the Commission pursuant to Section 2

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of this MOU.

1.2.19. "Tier II Indirect Spend" means expenses incurred for materials, services, and maintenance required by the Prime Contractor to operate the business.

1.2.20. "Women Business Enterprise" means that subset of Diverse Suppliers that are owned, Controlled, and managed by individuals included in Section 1.2.14(i)(9).

2. Certification

2.1. The Commission shall establish and maintain a list of Third-Party Certifying Agents, which initial list is attached hereto as Schedule 2. In the event that the Company wishes to propose an additional Third-Party Certifying Agent to be added to this list, it shall submit the entity name to the Commission, which shall determine whether to add the entity to said list. The Commission may maintain the list on its website, so that any person may obtain the list of Commission-approved Third-Party Certifying Agents.

2.2. Except as provided by Section 2.2.1, 2.2.2, 2.2.3 and 2.2.4, in order to qualify as a Diverse Supplier for purposes of this MOU, the Diverse Supplier must be certified by one of the Third-Party Certifying Agents specified in Section 2.1. If the Commission includes more than one Third-Party Certifying Agent on the list maintained pursuant to Section 2.1, the Diverse Supplier need only obtain Certification from one of the Third-Party Certifying Agents in order to be a Certified Diverse Supplier for purposes of this MOU.

2.2.1. A business enterprise that has not obtained Certification from a Third-Party Certifying Agent pursuant to Section 2.1 shall qualify as a Certified Diverse Supplier, provided that it certifies to the Company, in writing and under penalties of perjury, that it meets the definition of a Diverse Supplier. Unless Section 2.2.2

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applies, this exemption from the requirements of Section 2.1 shall be limited to one year from the date of execution of the MOU, or the date of the first invoiced spend, whichever occurs later.

2.2.2. A business enterprise that receives less than \$25,000 in annual gross revenues from the Company that has not obtained Certification from a Third-Party Certifying Agent pursuant to Section 2.1 shall qualify as a Certified Diverse Supplier, provided that it certifies to the Company, in writing and under penalties of perjury, that it meets the definition of a Diverse Supplier.

2.2.3. A business enterprise that seeks to qualify as a Diverse Supplier pursuant to Section 1.2.6b shall qualify as a Certified Diverse Supplier, provided that it certifies to the Company and under penalties of perjury, that it meets the definition outlined in Section 1.2.6b.

2.2.4. A business enterprise seeking to qualify as a Diverse Supplier under the HUBZone program must be certified by the Small Business Administration as a participant in the federal HUBZone program.

2.3. In assessing the suitability of a Diverse Supplier to bid for procurement contracts, the Company may require additional information or the completion of additional forms to comply with specific requirements created by the unique character of its business, such as insurance requirements, product and service codes, bonding limits, and so on. The Company may not, however, require such additional information in order to certify that a business is in fact a Diverse Supplier. Additionally, the Company may specify that it will only accept Certification from a specific Third-Party Certifying Agent.

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- 2.4. A Third-Party Certifying Agent auditing and verification program shall preclude the need for the Company to audit and verify the status of the Diverse Suppliers it does business with.

3. Company Implementation

- 3.1. The Company's Diverse Supplier program shall be designed to ensure that Diverse Suppliers are encouraged to become potential suppliers of products and services to the Company subject to this MOU. Nothing in this MOU requires the Company to utilize set-asides, preferences, or quotas.

3.2. Internal Company Program Development

The Company shall devote the necessary staff and/or resources to provide overall Diverse Supplier program direction and guidance and to implement Diverse Supplier program requirements.

3.3. External Outreach

The Company shall implement an outreach program to inform and recruit Diverse Suppliers to apply for procurement contracts. The outreach activities depend on the Company's size, service territory, and specific lines of business. However, the Company shall at a minimum:

- i. Actively seek out opportunities to identify Diverse Supplier contractors and to expand Diverse Supplier source pools.
- ii. Actively support the efforts of organizations experienced in the field who promote the interests of Diverse Supplier contractors such as the National Minority Supplier Development Council, the Women's Business Enterprise National Council, the United States Hispanic Chamber of Commerce, the United States Black Chamber of Commerce, the Small Business Administration, the United States Pan-Asian Chamber of Commerce, and others.
- iii. Work with Diverse Supplier contractors to facilitate

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contracting relationships by explaining Company qualification requirements, bid and contracting procedures, materials requirements, invoicing and payment schedules, and other procurement practices and procedures.

- iv. At the request of any unsuccessful Diverse Supplier bidder, provide general information concerning the range of differences between the Diverse Supplier contractor's bid as contrasted with the successful bid. Information on additional selection criteria, such as warranty periods, maintenance costs, and delivery capability, shall be provided when requested if disclosure would not violate the proprietary nature of the specific contract element. The Company need not provide this information in the event that only two companies (including the Diverse Supplier) bid on the contract.
- v. To the extent possible, make available to Diverse Supplier contractors lists of Company purchase/contract categories which offer them the best opportunity for success.
- vi. When efficient or cost-effective, encourage employees involved in submitting specifications for Company procurements to unbundle and break apart purchases and contracts to accommodate the inclusion of Diverse Suppliers based on their capabilities.
- vii. Summarize the Company's Diverse Supplier Program in the Company's outreach and marketing program literature submitted to vendors and the business community. Such summaries shall state that the Diverse Supplier will be furnished a complete copy of this MOU upon request. Such summaries shall encourage the participation of Diverse

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Supplier as Prime Contractors and Subcontractors, where appropriate.

- viii. Encourage all Prime Contractors to develop and maintain relationships with Diverse Supplier Subcontractors.
- ix. Encourage cooperation between non-Diverse Supplier and Diverse Supplier contractors.
- x. Work to maximize the retention of Diverse Supplier contractors so that the Company's procurement planning and supply chain management program articulates the Goal of building sustainable and reliable service delivery by the Diverse Supplier to the Company or the Prime Contractor for the life of the contract.

3.4. Subcontracting Program

The Company shall establish and maintain a subcontracting program for the purpose of encouraging its Prime Contractors to utilize Diverse Supplier Subcontractors.

3.4.1. The subcontracting program shall serve as an enhancement to, and not as a replacement for, the Company's Diverse Supplier Prime Contractor outreach program.

3.4.2. The subcontracting program shall apply to the following:

- i. Purchases/contracts exceeding \$750,000 for products and services;
- ii. Construction contracts exceeding \$1,500,000; and,
- iii. Purchases/contracts which offer Diverse Supplier subcontracting opportunities, regardless of value, when deemed appropriate by the Company.

3.4.3. The subcontracting program may be applied to the procurement of

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products manufactured for general consumption, such as paper, pens, and the like.

- 3.4.4. The Company shall encourage and assist, where reasonable, its Prime Contractors to develop plans to increase the utilization of Diverse Suppliers as Subcontractors. Prime contractors shall submit to the Company plans that include Goals for the utilization of Diverse Suppliers as Subcontractors. These plans may be incorporated into the contract between the Company and the Prime Contractor.
- 3.4.5. The Company is encouraged to incorporate in all purchase orders, requests for bid proposals, and other appropriate procurement documents related to procurement efforts subject to the subcontracting program, a statement similar to the following:
- i. It is the policy of the Company that Diverse Suppliers shall have the maximum practicable opportunity to participate in the performance of contracts. However, this policy shall not be used to exclude qualified non-Diverse Suppliers from participating in Company contracting.
 - ii. The awarded Prime Contractor shall agree to use his or her best efforts to carry out this policy in the award of subcontracts to the fullest extent consistent with the efficient performance of this contract.
- 3.4.6. The Company is encouraged to inform suppliers of products and services that suppliers' good faith efforts to subcontract with Diverse Suppliers may be a factor that may be considered in the bid evaluation process. A statement to that effect may be included in all appropriate procurement documents.
- 3.4.7. The Company shall include in its annual plan a description of

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future plans for encouraging Prime Contractors to engage Diverse Supplier Subcontractors in all procurement categories covered by this MOU which provide subcontracting opportunities.

3.4.8. The Company shall include (as a separate category) spend with Diverse Supplier Subcontractors in its Annual Report.

4. Diverse Supplier Complaint Process

- 4.1. The Company shall maintain a process for receiving and reviewing Diverse Supplier procurement-related Complaints.
- 4.2. The Commission notes that it does not exercise jurisdiction over the Diverse Supplier procurement-related Complaints.

5. Goals

- 5.1. The Company shall set aspirational and verifiable goals for the utilization of Diverse Suppliers, keeping in mind that the Goal of this MOU is to facilitate and encourage the award of 21.5% to Diverse Suppliers of the total dollars spent on all Company contracts, subcontracts and purchase orders covered by this MOU. This goal-setting process shall include specific goals for Minority Business Enterprises, Women Business Enterprises, Service-Disabled Veteran Enterprises, Not-for-Profit Workshops, and HUBZone-certified business enterprises (under Section 1.2.6b).
 - 5.1.1. The Company and the Commission agree that natural gas procurement shall not be subject to the same Goals that are articulated by the Company pursuant to Section 5.1. However, the Company shall set substantial and verifiable goals for the utilization of Diverse Suppliers for natural gas procurement.
- 5.2. The Company shall consider the following factors in setting its Goals:
 - 5.2.1. Total Company purchasing and/or contracting projections;

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- 5.2.2. Availability of Diverse Suppliers and competitiveness throughout the Company's service territory and the United States;
- 5.2.3. Market dynamics based on historical data and trends; and,
- 5.2.4. Other appropriate factors which would increase the Diverse Suppliers' share of Company business.
- 5.3. The specification of initial long-term Goals in this section shall not prevent the Company from seeking to reach goals set by public agencies, which may establish objectives based upon the demographic composition of specific localities.
- 5.4. A Company may only exclude from its total amount of dollars spent on procurement those products and services, and the corresponding expenditures, contained in Schedule 1 to this MOU. Goods and services are included on Schedule 1 because they are non-sourceable, are subject to a regulated purchase process, or because the Company has otherwise persuaded the Commission that it is appropriate to include those goods and services on Schedule 1.
 - 5.4.1. Future proposed additions to Schedule 1 shall be made by the Company and included at the Commission's discretion.
 - 5.4.2. Annually, the Company and the Commission shall review Schedule 1, for the express purpose of determining whether any of the goods and services should be removed from Schedule 1.
- 5.5. The Company may, if a first-time signatory of the MOU, exclude from its total amount of dollars spent on procurement any dollars spent on contracts in effect at the time of the execution of this MOU that have a remaining term of two or more years. In the event that the Company purchases goods and services from its affiliates (which purchases are not included on Schedule 1), the Company shall encourage the affiliate to establish an appropriate subcontracting program where such affiliate employs

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Subcontractors. In its annual report to the Commission, the Company must state whether the affiliates have established a subcontracting program.

- 5.6. Overall program Goals shall be expressed in dollar amounts and as a percentage of total dollars spent by the Company on goods and services covered by this MOU.
- 5.7. The Company shall make special efforts to increase utilization and encourage entry into the marketplace of Diverse Suppliers in product or service categories where there has been low utilization of Diverse Suppliers, such as legal and financial services, and areas that are considered technical in nature.
- 5.8. Due to the voluntary nature of this MOU, no penalty shall be imposed on the Company for non-compliance with any provision of this MOU.
- 5.9. The Company shall report its actual performance as compared to projected Goals in its annual report.

6. Diverse Supplier Annual Report

- 6.1. The Company shall file a Diverse Supplier Annual Report on their Diverse Suppliers program with the Commission's Executive Secretary by March 31 of each year.
- 6.2. The Diverse Supplier Annual Report shall contain at least the following elements:
 - 6.2.1. A description of Diverse Supplier program activities engaged in during the previous calendar year. This description shall include both internal and external activities.
 - 6.2.2. a. An overall summary of total Diverse Supplier spend, with breakdowns by socially disadvantaged group and HUBZone-certified business enterprises, compared with total Company dollars spent on goods and services covered by this MOU. See Attachment A-1 (Socially

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Disadvantaged Groups).

- b. A summary of total Diverse Supplier spend by NAICS Code, with breakdowns by socially disadvantaged groups within each NAICS Code, compared with total Company dollars spent within that NAICS Code on goods and services covered by this MOU. See Attachment A-2 (NAICS Codes).
- c. A comparison of (1) the percentage of dollars spent with Minority Business Enterprises, Women Business Enterprises, and Service Disabled Veteran Enterprises compared with total Company dollars spent on goods and services covered by this MOU with (2) the Goals for each type of business enterprise set pursuant to Section 5.1. See Attachment A-3 (Goal Comparison). The Company shall report its spend such that each dollar spent may only be reported, and counted towards the goal, once. For example, dollars spent with minority women-owned business enterprises can be reported and counted toward either the minority-owned business enterprise Goal or the women-owned business enterprise Goal, but not toward both. Similarly, dollars spent with service-disabled veteran business enterprises can be reported and counted either as service-disabled veteran business enterprise procurement or veteran procurement or the appropriate women or minority business enterprise Goal, but not toward multiple categories. In the circumstance of a supplier that qualifies for more than one category of diverse supplier, a utility will count the supplier based on race or gender rather than HUBZone.
- d. An itemization of Diverse Supplier program expenses including salaries, outreach, etc., compared with total

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Company dollars spent on general and administrative expenses. See Attachment B (Program Expenses). The salary information contained in Attachment B may be filed with the Commission confidentially.

- 6.2.3. A description of progress in meeting or exceeding set Goals and an explanation of any circumstances that may have caused the Company to fall short of its Goals. The Company shall include a comprehensive discussion and detailed description of any efforts made to recruit Diverse Suppliers of products or services in areas that are traditionally underserved by Diverse Suppliers. The Company may also explain in detail in its Annual Report how its ability to meet its Diverse Supplier Goals is affected because Diverse Suppliers capable of supplying certain products and services are unavailable or uncompetitive.
- 6.2.4. A description of PrimeContractor utilization of Diverse Supplier Subcontractors.
- 6.2.5. A list of Diverse Supplier procurement-related Complaints received during the past year, accompanied by a brief description of the nature of each Complaint and its resolution or current status. See Attachment C.
- 6.2.6. A discussion of the Company's review process for addressing Complaints.
- 6.2.7. A list identifying each Diverse Supplier that received payment for contract service for the reporting year, the NAICS Code(s) for the services provided, and the dollar amount paid to the vendor for the reporting year. If the Diverse Supplier is certified pursuant to Sections 2.2.1, 2.2.2, 2.2.3, or 2.2.4 that should be indicated, along with the relevant Section under which the certification is effective and the date, if relevant, that the certification became effective.

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See Attachment D (Vendor List). Attachment D may be filed confidentially with the Commission.

- 6.2.8. A description of any efforts made to recruit Diverse Suppliers of products or services in NAICS Code categories where Diverse Supplier utilization has been low, such as legal, accounting, auditing, underwriting, technology, testing, research and development, construction, demolition, financial services, and other ventures areas that are considered highly technical in nature.
- 6.2.9. The Company shall retain all documents and data it relies on in preparing its Diverse Supplier annual report for the longer of either three years or in conformance with the Company's individual document retention policies, and it shall provide these documents and data to the Commission upon request.

7. Diverse Supplier Annual Plan

- 7.1. The Company shall file an annual plan, if required per Section 7.3, with the Commissioner's Executive Secretary by March 31 each year.
- 7.2. The annual plan shall contain at least the following elements:
 - 7.2.1. A description of Diverse Supplier program activities planned for the next calendar year. This description shall include both internal and external activities.
 - 7.2.2. Plans for recruiting Diverse Suppliers of products or services where Diverse Supplier utilization has been low, such as legal and financial services, and areas that are considered highly technical in nature.
 - 7.2.3. Plans for seeking and or recruiting Diverse Suppliers through efforts such as small business incubators for products or services that are traditionally underutilized.

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- 7.2.4. Plans for seeking and or recruiting Diverse Suppliers of products or services where Diverse Suppliers are currently unavailable.
- 7.2.5. Plans for encouraging Prime Contractors to engage Diverse Suppliers in subcontracts in all categories which provide subcontracting opportunities.
- 7.2.6. Plans for complying with the Diverse Supplier program guidelines established by the Commission. The Commission's Staff will be responsible for developing, periodically refining, and recommending such guidelines for the Commission's adoption in an appropriate procedural forum.
- 7.3. If the Company achieves 21.5% of the total dollar spend for Company contracts, subcontracts, and purchase orders for products and services governed by this MOU by 2022, then for every year in which it continues to achieve at least 21.5%, it shall no longer be required to file an annual plan for the subsequent year. If the Company falls below 21.5% of the total dollar spend for Company contracts, subcontracts, and purchase orders for products and services governed by this MOU, then it shall be required to file an annual plan for the following year.

8. Review, Report, and Public Hearing

- 8.1. The Commission's Consumer Affairs Division ("CAD"), in conjunction with the Commission's Technical Staff (collectively, with CAD, the "Staff"), shall review the Company's Diverse Supplier annual report and annual plan, if required, and prepare a draft report concerning it in accordance with COMAR 20.08.01.05.A. Upon the request of the Staff, the Company shall make available all source documents and reports used and relied upon in the production of the filed annual reports and answer all inquiries regarding its filed reports.

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- 8.2. Following the issuance of the Staff's Report, the Commission shall conduct a public conference in accordance with COMAR 20.08.01.05.B.

9. Jurisdiction and Authority

- 9.1. The Company has entered into this MOU voluntarily and submits information pertaining to it, and to its affiliates (if applicable) in response to the Commission's requests as stated herein voluntarily. Nothing herein will be construed as bestowing jurisdiction, not otherwise conferred by applicable law, upon the Commission in those subject areas encompassed by the MOU over Company; nor will the signing of this MOU constitute or be construed as a waiver of the Company's right to legally challenge the Commission's jurisdiction or statutory authority in the future should the Commission assert such jurisdiction or authority over the subject matter herein.
- 9.2. This MOU is not intended to permit erosion of Diverse Supplier programs and reporting presently engaged in by the Company.
- 9.3. Nothing in this MOU shall prohibit the Company from breaking down specific categories further than presently required (for example, reporting dollars spent with Filipino Americans separately from those spent with Asian Pacific Americans or reporting male and female results within minority-owned classifications).

10. Additional or Private Rights

Nothing herein will be construed as creating, either directly or indirectly, a private right or remedy for any person not a party to this MOU. Furthermore, nothing herein will be construed as creating or imposing either directly or indirectly upon any party to this MOU, a legal or contractual duty or obligation not otherwise imposed by existing law.

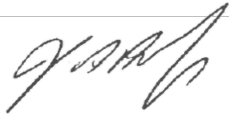
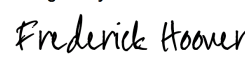
11. Termination

SUPPLIER DIVERSITY MEMORANDUM OF UNDERSTANDING

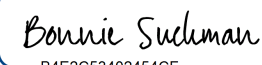
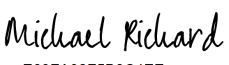
As the Commission and the Company have entered into this MOU voluntarily, either the Commission or the Company may terminate this MOU at any time by providing written notice of such termination to the other. Notwithstanding any such termination of the MOU, if the Commission or the Company obtained any confidential or otherwise proprietary information from the other through any process facilitated by the MOU prior to its termination, then the Commission or the Company shall continue to preserve the confidentiality and proprietary nature of such information following the termination to the same extent as if the MOU had not been terminated.


12. Signatures

This Memorandum of Understanding is entered into this 18th day of July, 2024, by the undersigned on behalf of the Maryland Public Service Commission and AT&T Enterprises, LLC.

<p>X </p> <p>Vince Apruzzese Authorized Representative on behalf of AT&T Enterprises, LLC.</p>	<p>Signed by: X </p> <p>3436510983FD4A2... Chairman Frederick Hoover Maryland Public Service Commission</p>
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[signatures continue on next page]

<p>Signed by: X </p> <p>B4FE2C53402454CE... Commissioner Bonnie Suchman Maryland Public Service Commission</p>	<p>Signed by: X </p> <p>E69FA02F5B864EE... Commissioner Michael Richard Maryland Public Service Commission</p>
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<p>Signed by: X </p> <p>41FFED79A9E445F... Commissioner Kumar Barve Maryland Public Service Commission</p>	<p>X</p> <p>Commissioner Maryland Public Service Commission</p>
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SUPPLIER DIVERSITY MEMORANDUM OF UNDERSTANDING

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SCHEDULE I NON-SOURCEABLE SPEND CATEGORIES

- Board of Director's fees
- Employee medical benefits
- Employee tuition aid benefits
- Employee benefits, other
- Employee garnishments
- Employee payroll
- Employee reimbursements
- Claims
- Contributions
- Electric power interchange
- Energy rebates
- Organization membership dues for non-diverse organizations
- Philanthropic contributions
- Tax payments, all
- Utilities, telephone, electricity, water
- Voucher transfers
- Business travel expenses
- Permits and fees
- Freight charges on invoices
- Payments to government entities
- Pipeline transmission
- Purchases from affiliates
- Natural gas capacity contracts
- Dividend payments
- Payments to subsidiary operations
- Rail Transportation
- Standard Offer Service procurement
- Purchase or lease of real property
- Purchase of carbon credits
- Network access or other communications intercarrier compensation (any mode)

**SUPPLIER DIVERSITY
MEMORANDUM OF UNDERSTANDING
APPENDIX
TARGET GOAL AMENDMENT**

BACKGROUND.

The Public Service Commission of Maryland ("Commission") and AT&T Enterprises, LLC ("Company") entered into the Memorandum of Understanding ("MOU") dated July 18, 2024, for the purpose of promoting a strategy designed to create viable and prosperous women, minority, LGBT, veteran, and service-disabled-veteran-owned business enterprises ("Diverse Suppliers").

The Company desires to amend the MOU related to the terms and conditions set forth in this Amendment (the "Amendment"). The effective date of this Amendment is July 18, 2024 ("Amendment").

In consideration of the Company agreeing to amend its obligations in the existing MOU, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company agrees to keep, perform, and fulfill its promises, conditions and agreements below:

AMENDMENT.

The MOU is amended as follows:

The goal ("Goal") of the Company shall be to award the following target goal percentage of the Company's total dollar spend for Company contracts, subcontracts, and purchase orders for products and services governed by this MOU to Diverse Suppliers:

- ___ 15% (Initial Program Goal)
- ___ 20% (Developing Program Goal)
- ___ 21.5% (Mature Program Goal)

Any mention of a specific target goal within the MOU will be stricken and replaced with the target goal chosen in this Amendment. This change is not retroactive and only applies to Company obligations from this date forward.

NO OTHER CHANGE.

Except as otherwise expressly provided in this Amendment, all of the terms and conditions of the

SUPPLIER DIVERSITY MEMORANDUM OF UNDERSTANDING

MOU remain unchanged and in full force and effect.

MISCELLANEOUS TERMS.

Capitalized terms not otherwise defined in this Amendment will have the meanings ascribed to them in the MOU. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Amendment.

By their execution below, the Company hereto has agreed to all the terms and conditions of this Amendment.

X 

Vince Apruzzese

Authorized Representative on behalf of AT&T Enterprises, LLC.