

Entergy's Second Tier Procurement Program

Attached are forms for supplying information to Entergy on your company's use of Minority and Women owned Business Enterprises (M/WBEs). You do not have to use the exact form; however, please be sure all the information requested is submitted. **Expenditures for MBEs and WBEs must be supplied separately; please do not combine these expenditures.**

There are two categories of expenditure reporting:

Direct expenditures are those material and service acquisitions from M/WBEs directly attributable to an Entergy contract or purchase order. For example -- your company provides general construction services to Entergy and you subcontract earthmoving and painting to M/WBEs. In this instance, 100% of the painting and earthmoving expenditures should be reported to Entergy. Another example -- your company provides Entergy office supplies under a blanket purchase order and you purchase pens, pencils and stationery from M/WBE manufacturers. Expenditures for the volumes of these pens, pencils and stationery furnished Entergy should be reported at 100%.

Indirect expenditures are those material and service acquisitions from M/WBEs that cannot be identified for or apportioned to any specific customer. For example -- "overhead" items such as paper, computing expenses, or office maintenance incurred by your company. Also included would be any and all materials and services purchased from M/WBEs that are used in the direct production of your product or service. These "indirect expenditures" should be proportionately allocated and reported to Entergy as outlined in the example below.

$$\begin{aligned} \text{MBE "indirect allocation" formula:} & \quad \frac{\text{Your YTD Sales to Entergy}}{\text{Total YTD Sales}} = \text{Allocation factor} \\ & \quad (\text{Total YTD MBE* Indirect Expenditures X Allocation factor}) = \\ & \quad \text{Entergy's MBE Allocation} \end{aligned}$$

Sample: Your company's total sales are \$50 million; total sales to Entergy are \$3 million, and total MBE expenditures are \$5,000, 000.

$$\begin{aligned} & \quad \frac{\$3,000,000}{\$50,000,000} = \mathbf{0.06} \\ & \quad \$5,000,000 \times \mathbf{0.06} = \$300,000 \text{ (Entergy's MBE allocation)} \end{aligned}$$

For both direct and indirect expenditures, please list the names of the MBEs, addresses, ethnicity and dollar amounts. **Please do not combine WBE and MBE expenditures.**

***Note:** A separate and similar calculation should also be made for WBEs.

Please return the requested information by the 10th day after each quarter ending:

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