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“Rolling Out & Sustaining a Strong Second Tier Initiative”



**EEI SBA/GSA Federal Subcontracting
and Best Practices Workshop**

Entergy Services, Inc.

January 28-29, 2010

Overview

- Purpose
- Developing and Sustaining
- Implementation
- Reporting & Training
- Contract Language



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Purpose of Second Tier

Maximizing opportunities for M/WBEs to participate as suppliers of goods and services.

Serves as an enhancement to, and not as a replacement for, existing initiatives aimed at increasing meaningful opportunities for M/WBEs to participate as first tier suppliers.



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Developing & Sustaining



- Buy-in from Senior Management and designated resources to manage Second Tier Initiative
- Include requirements in company's policies and procedures
- Define Second Tier spend targets and spend goals
- Communications and Change Management Plan/Strategy
- Provide Training and Development for all participants
- Manage and constantly update Reporting Tool(s)
- Rewards and Recognition



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Implementation

- Analyze your prime supplier and M/WBE base and their capabilities
- Select a preferred list of Prime Suppliers
- Prioritize the best opportunities for direct or indirect second tier spend – review annual sourcing/procurement plans
- Utilize Sourcing Teams as champions
- Establish Annual Spend Goals and Targets



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Implementation: Goal Setting

Prime Supplier Goals

- Implementation and education training with prime/first tier suppliers
- Maximum participation during a phased-in approach
- Quarterly reporting
- Continuous Improvement – Increased spend targets

Company Goals

- Ongoing program education and training
- Communication with prime/first tier suppliers
- Share program goals with management and sourcing managers
- Review list of current M/WBEs sourcing interjection
- Refer/assist prime suppliers and sourcing teams with identifying M/WBEs
- Set up a baseline and measure your progress against the goals

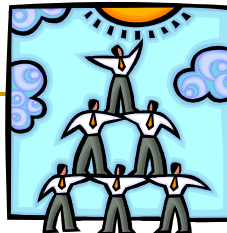
M/WBE Goals

- Provide business development training
- Establish a mentor protégé program
- Continuous networking and communications



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Reporting and Training

Reporting

- Benchmark reporting tools and launch reporting mechanism (manual or electronic)
- Capture prime supplier direct/indirect spend and requirements
- Share reports with internal staff on an ongoing basis
- Validate and evaluate reporting process
- Perform annual audits
- Include subcontracting language in procurement contracts

Training

- Provide reporting/technology training for prime suppliers and their staff
- Offer program training for all participants (primes, M/WBEs, staff, etc.)
- Develop M/WBEs (mentoring programs, workshops, etc.)



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Helpful Tips

- Understand your company's Annual Procurement Plan and Procurement Policy
- Network your MBEs within all levels of Supply Chain/Procurement
- Train Supply Chain staff regarding GSA/SBA requirements
- Continually focus on requirements and regulations
- Recognize and reward team accomplishments



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Appendix

- A. Entergy's Plan for Utilization of Diverse Suppliers
- B. Entergy's Supplier Diversity Organization
- C. Entergy's Third Party Reporting Portal



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Appendix – A

Plan for Utilization of Diverse Suppliers

- Prior to commencement of work pursuant to this proposal, Supplier shall submit a plan for the utilization of ethnic minority, veteran, women and disabled veteran owned and Historically Underutilized Business (HUB) zone businesses (“diverse suppliers”), directly supporting the services provided for the Company. This plan shall include a minimum spending metric of not less than 30 percent of the total annual expenditures on behalf of the Company.
- Diverse suppliers shall be the individual business types noted above which are 51 percent or greater owned, operated and managed by the diverse supplier. Ethnic minority owned businesses shall be African-Americans, Hispanic-Americans, Native Americans, Asian-Americans, Pacific Islanders and Aleuts. Supplier shall maintain certifications validating the ownership of diverse suppliers. Such certification shall be by reputable agencies, not limited to, but including the National Minority Supplier Diversity Council, Women Business Entrepreneurs National Council, or any of the aforementioned organizations’ regional affiliates; U.S. Small Business Administration; U.S. Department of Energy; U.S. Department of Defense, or U.S Department of Transportation.
- Supplier’s plan for utilizing diverse suppliers shall include a listing, by distinct commodity groups, of the diverse suppliers targeted for direct utilization supporting the services provided to the Company by the Supplier, along with the targeted spend amount. It is understood that certain commodity groups may have higher or lower targeted diverse supplier spending, but the aggregate total shall be not less than 30 percent.
- Supplier shall consult with the Company’s Manager, Supplier Diversity or his/her designee to identify existing diverse suppliers currently providing goods, services, materials and equipment to the Company for the purpose of developing Supplier plan for utilizing diverse suppliers.



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Appendix – A

Plan for Utilization of Diverse Suppliers (Cont'd)

Second Tier Sourcing

- Supplier shall require that its prime suppliers providing goods, material and equipment at \$500,000 and greater, and those providing services at \$1,000,000 and greater, provide a similar plan for the utilization of diverse suppliers. Supplier shall consult with the Company's Manager, Supplier Diversity, or his/her designee to obtain a listing of existing diverse suppliers for the purpose of transferring this information to Suppliers prime suppliers.

Qualifying Suppliers

- Supplier shall insure that all suppliers meet the qualifications standards prescribed by the Company. All suppliers providing goods, services, material and/or equipment shall be required to qualify via the Company's third party website at www.energy.cvmsolutions.com. Supplier shall consult the Company's Manager, Supplier Diversity to obtain information about access to the qualification website and process.

Reporting Diverse Supplier Spending

- Supplier shall submit to Company's Manager, Supplier Diversity, detailed quarterly diverse supplier spending by commodity and supplier type, ethnicity and gender. For reporting purposes, women owned businesses shall be limited to non-minority women. As such, ethnic minority women owned businesses shall be reported as minority owned businesses and not a part of women owned business reporting. Supplier's reporting shall compare actual diverse supplier spending to target and shall include a listing of the diverse suppliers by company name, address, point of contact, commodity group and spend amount. Supplier shall provide a detailed plan of action to overcome any performance gaps against target.
- Supplier shall also include second tier spend reporting on a quarterly basis and additionally complete this submittal at the Company's qualification and second tier spend reporting website, www.energy.cvmsolutions.com. Supplier shall submit to qualification at this website by contacting Company's Manager, Supplier Diversity, or his/her designee.



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Appendix – A

Plan for Utilization of Diverse Suppliers (Cont'd)

Networking and Outreach

- For the purpose of identifying future diverse suppliers, Supplier shall maintain a presence and active involvement in supplier diversity issues and initiatives in the states comprising the Company's service territory, Arkansas, Louisiana, Mississippi and southeast Texas. Supplier shall participate in events and activities such as trade shows, exhibits, conferences, networking forums and seminars presenting the opportunity to define the processes for doing business with the Supplier and to identify new and prospective diverse suppliers.

Maintaining Competitive Business Practices

- Nothing contained in these provisions shall be deemed to imply, or to confer any obligation on the part of the Supplier to pay a premium for the utilization of diverse suppliers. Consistent with good business practices, Supplier shall execute these provisions while maintaining competitive prices for the goods and services procured from all suppliers.

The Company's Manager, Supplier Diversity

Entergy Services, Inc.
P.O. Box 61000 70161
639 Loyola Avenue
New Orleans, LA 70113

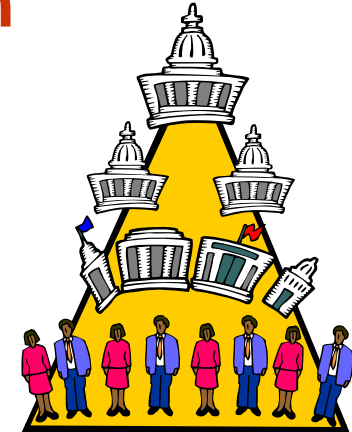
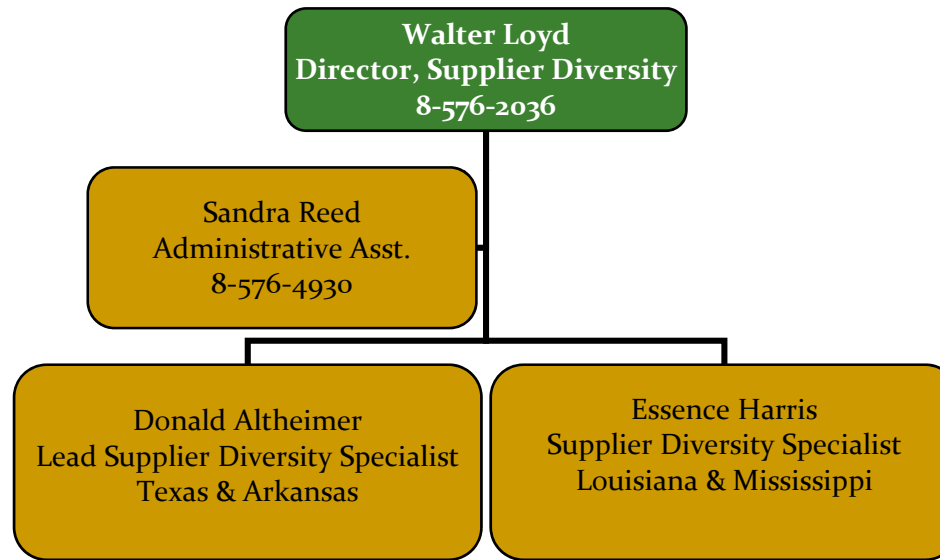


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Appendix – B

Entergy Supplier Diversity Organization



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Second Tier Reporting



Supplier Pre-Qualification and Registration System

Quick Links Menu: SELECT A CATEGORY... 

Welcome, admin | [\[Sign Out \]](#) | [Contact Us](#)

Home >

- ▶ Suppliers
- ▶ Tier 2 Reporting
- ▶ Audits & Surveys
- ▶ Application Maintenance
- ▶ User Maintenance
- ▶ System Maintenance
- ▶ Reports
- ▶ Tier 2 Reports
- ▶ Pre-Qual User Guide
- ▶ Tier2 User Guide
- ▶ Profile Maintenance

Create/Modify 2nd Tier Report-Step 1 of 4

* - Indicates Required Fields

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%.



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Second Tier Reporting (cont'd)



Supplier Pre-Qualification and Registration System

Quick Links Menu: SELECT A CATEGORY...

Welcome, admin [Sign Out] Conta

Home > Tier 2 Reporting > Manage Tier 2

- Suppliers
- Tier 2 Reporting
 - Reporting Periods
 - Manage Tier 2**
 - Audits & Surveys
 - Application Maintenance
 - User Maintenance
 - System Maintenance
 - Reports
 - Tier 2 Reports
 - Pre-Qual User Guide
 - Tier2 User Guide
 - Profile Maintenance

Create/Modify 2nd Tier Report-Step 2 of 4

* - Indicates Required Fields

To report your Direct expenditures:

1. Select a vendor from the dropdown or select "New Vendor" to add a Tier 2 Vendor.
2. Select the Entergy Jurisdiction credited with the direct expenditure.
3. Enter the Direct expenditures for the Tier 2 vendor for that Entergy Jurisdiction.

Direct expenditures

Tier 2 Vendor Name	Entergy Jurisdiction	Direct Purchases
Chris Test	Entergy Texas	\$40
Purple Company	Entergy Louisiana	\$50

Add more payments

Previous

Save & Next

Reset



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Second Tier Reporting (cont'd)



Supplier Pre-Qualification and Registration System

Quick Links Menu: SELECT A CATEGORY...

Welcome, admin | [Sign Out] | Conta

Home > Tier 2 Reporting > Manage Tier 2

- Suppliers
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Create/Modify 2nd Tier Report-Step 3 of 4

* - Indicates Required Fields

To report your Indirect expenditures:

- Select the Diversity Category of your Tier 2 Diversity Vendors.
- Enter your **total** Indirect expenditures for the selected diversity category.

Indirect expenditures

Diversity Category

Minority Business Enterprises	▼
Woman Business Enterprises	▼
Veteran-owned Small Business	▼

Indirect Purchases

\$30
\$40
\$30

Add more payments

Previous

Save & Next

Reset



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Second Tier Reporting (cont'd)

Home > Tier 2 Reporting > Manage Tier 2

- ▶ Suppliers
- ▼ Tier 2 Reporting
 - ▶ Reporting Periods
 - ▶ Manage Tier 2
 - ▶ Audits & Surveys
 - ▶ Application Maintenance
 - ▶ User Maintenance
 - ▶ System Maintenance
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 - ▶ Profile Maintenance

Create/Modify 2nd Tier Report-Step 4 of 4

* - Indicates Required Fields

Supplier Name	CVM Solutions Inc	
Reporting Period	7/1/2006 - 9/30/2006	
Total Supplier US Sales for Period	\$ 1,000.00	
Total Sales to Entergy for Period	\$ 200.00	
Direct Expenditures Reported		
Tier 2 Vendor Name	Entergy Jurisdiction	Direct Expenditures
Chris Test	Entergy Texas	\$40.00
Purple Company	Entergy Louisiana	\$50.00
Indirect Expenditures Reported		
Diversity Category	Indirect Expenditures	
Minority Business Enterprises	\$30.00	
Woman Business Enterprises	\$40.00	
Veteran-owned Small Business	\$30.00	

If this information is correct, click 'Submit' to submit the report to Entergy. Please note that once submitted, this information cannot be changed for this reporting period.

Click 'Exit' to exit this screen without submitting.

You can always submit it later before the close of the reporting period.



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QUESTIONS & ANSWERS

