



CenturyLink Online 2nd Tier Reporting Frequently Asked Questions:

Why are we being contacted by CenturyLink and what is this Tier 2 training about?

All CenturyLink prime suppliers that reach a spend threshold of \$500,000 annually are required to report any purchasing activity with diverse vendors (minority, women, LGBT or disabled veteran owned suppliers –aka WMDVLGBTBE). Purchase dollars can be reported as DIRECT – utilizing diverse suppliers specifically for CenturyLink contracted business or INDIRECT – utilizing diverse suppliers in support of overall corporate operations. Tier 2 report training is provided to all suppliers that have recently met the spend threshold amount. All reporting is done online and training is provided on how to access and navigate report system.

We do not have detailed information on our diverse suppliers. What do you suggest we do?

CenturyLink encourages its vendors to track internal suppliers by name, state, tax id and diverse category, as it can be helpful to understand the categorization of businesses you work with consistently. Also, this information is useful if your company is interested in obtaining government, state or city contracts. CenturyLink can provide contact information for a 3rd party vendor that can assist our prime suppliers in analyzing their vendor file to identify business classification and diverse categories of vendors currently being used. There is a minimal fee for this service. Contact Supplier Diversity team for more information.

Who should I contact in my company to get the necessary information that needs to be entered into your system?

It is suggested that you contact your finance/accounting department for sales revenue data (dollars from sales to CenturyLink and total corporate revenue) and purchasing / accounts payable department for purchase dollar information by vendor.

How often will we have to do this reporting? CenturyLink is requesting that all suppliers report their indirect/direct purchase activity on a quarterly basis due to our internal tracking of supplier performance. Suppliers will receive email notification when the reporting system is open and available to accept data.

Is CenturyLink legally able to request our financial information even if we are a private firm? All CenturyLink suppliers have a financial disclosure clause in their agreement which allows CenturyLink to request financial data at any time.

Our company had no sales to CenturyLink, nor any diverse vendor spend – can you submit a report with zeroes?

Zero dollar reports can be submitted by entering 100 in Step 1 for Total US Sales and Customer Sales, then Step 3, enter 0.00 for category spend and submit in Step 4, after selecting the preview option.

In Step 1 –Enter US Sales/Customer sales- Do you enter the total quarterly sales for our company, or only as they apply to CenturyLink sales? In the Total US Sales section, enter your firm's total company revenue dollars; in the Customer section enter total sales made to CenturyLink (all business units) in dollars. If data entry in a report period is missed, you will enter cumulative data in the open report period only.

In Step 1, the presenter said we could enter 100 for US sales - is that in lieu of entering our total quarterly revenue sales (CenturyLink and non-CenturyLink)? And does the figure 100 represent the dollar amount? Yes, the figure 100 would be a base amount and would only be entered in the Total US sales section if you **CAN NOT** report your company revenue dollars. **Note:** We can only accept US sales, not International sales dollars for calculation purposes.

CenturyLink/CVM 2nd Tier Reporting Frequently Asked Questions:

In Step 1 can I enter the same dollar amount for both Total US Sales and Customer Sales? This is only allowed when you have direct purchase activity to enter OR indirect spend data being entered is the **exact** amount that can be allocated to CenturyLink (reported spend dollar amount is attributable to percentage of business that CenturyLink represented of your company revenue).

In Step 1, under Total US Purchases, is it a percent entered or the dollar amount? This figure isn't needed but it would be the dollar amount your company spent with vendors. This is strictly for your own purpose.

If this is the first time our firm is reporting, can cumulative amounts be entered in the open period to catch up? You can enter YTD data in the open quarterly report period.

What if our company only reports data annually, are we out of compliance by not reporting quarterly? All CenturyLink suppliers are encouraged to report spend with diverse suppliers on a quarterly basis. At a minimum, we request that you access the system and report dollars from your sales to CenturyLink by putting the revenue amount in both the Total US Sales and Customer Sales sections. However, if annual reporting is necessary, simply send an email to the supplier diversity team explaining your position. Be aware that you will continue to receive quarterly notifications as they are system generated for all of our Prime suppliers. Expectation will be for all of our suppliers to complete reporting by the Q4 deadline in February.

Should the diverse supplier spend that we report pertain only to CenturyLink sales, or to total US company sales? Spend data entered can be a combination of both or either. Supplier purchases based on the CenturyLink contract would be entered in Step 5 – “direct purchases” accessed at Step 4 by selecting the “Edit” option. (**NOTE:** entries for direct purchase will require the supplier's/subcontractor's name.) Supplier purchases for your company as a whole would be entered in Step 3 – “indirect purchases”.

If a supplier has multiple certifications, which takes precedence for reporting purposes? What is the reporting hierarchy? We prefer the following hierarchy when reporting in diversity categories – 1. Minority owned classification 2. Veteran/Disabled Veteran owned classification 3. Woman owned classification 4. Small Disadvantaged Business (8A, SDB, SDVOBE, HubZone)

Which certifying agencies does CenturyLink accept and recognize for use in supplier verification of minority, woman or veteran owned status? CenturyLink prefers Minority Business Enterprise (MBE) certifications from affiliates of the **National Minority Supplier Development Council (NMSDC)*** and Women Business Enterprise (WBE) certifications from affiliates of the **Women's Business Enterprise National Council (WBENC)**** and Service Disabled Veteran Enterprise (SDVE) certifications from the **Association of Service Disabled Veterans (ASDV)**. CenturyLink recognizes local city, state or federal government certifications on letterhead (SDB, SDVOB, 8A, HubZone) for small businesses.

Our company provides subscription service to information data bases to CenturyLink. We do not deliver products in a traditional manner. In other words, no shipments of any kind are received by CenturyLink from our firm, nor do we subcontract any of our work. What type of diversity information do you require in this scenario? You will report indirect purchase activity which consists of dollars spent with diverse suppliers for corporate services (i.e, janitorial, office supply purchases, coffee svc). Enter company total US sales AND Customer Sales dollar amount that CenturyLink represented of your total corporate revenue. If you are unable to report your revenue, simply enter 100 (or 1000) for Total US sales and in the indirect allocation % (IAF%) enter the percentage of business that CenturyLink represented of your total sales. **EXAMPLE:** US Sales \$500,000, CenturyLink sales \$50,000 enter 10%.

CenturyLink/CVM 2nd Tier Reporting Frequently Asked Questions:

Can the report be edited once it has been submitted? The system will allow changes to be made to a report ONLY if the reporting period is open and available to accept data. The report can be edited numerous times when the reporting period is open. Once the reporting period is closed, the report will have to be revised manually on your own systems. It is advised to export a copy of what will be submitted prior to the deadline to ensure that the data is accurate prior to system closing.

Will the fields allow input of decimal or negative numbers? The reporting system wasn't designed to accept decimal or negative numbers. We are looking into system modifications to accommodate this but this feature isn't available right now.

In step 4 Preview, what is the data shown in yellow or green indicate? When previewing a report, the green data indicates data that has already been submitted. The yellow data shows what should be submitted for processing.

Can we count dollars spent when our non-diverse suppliers subcontract with another supplier that is certified in one of the diverse categories? Unfortunately CenturyLink does not accept Tier 3 data for reporting. This wouldn't count towards the subcontracting goal, however, it would be the great start to your own Tier 2 supplier diversity program!

What if we do not track vendor spend by diverse categories? CenturyLink encourages its suppliers to develop a methodology for accurately tracking vendor purchase data to categorize suppliers for reporting purposes, as CenturyLink values our suppliers that are in alignment with our corporate initiatives to increase spend to diverse businesses/suppliers. Contact information for a 3rd party vendor that does supplier data analysis can be provided to our prime suppliers needing to do vendor identification and categorization. If this is a consideration, obtain the contact from the Supplier Diversity team at CenturyLink. However, if analyzing your vendor file presents a hardship and this is a contractual commitment, send correspondence to the supplier diversity team and your contract manager explaining your position. This will be noted in your file and forwarded to the manager/ business unit responsible for monitoring supplier performance. There is an expectation that our suppliers access our online report system quarterly to report revenue data at a minimum if there is no vendor -related spend to report. In addition, if annual CenturyLink spend with your company exceeds 2 million dollars, a subcontracting plan will need to be discussed and put in place. This shows good faith on your behalf and that you are willing to assist CenturyLink in meeting its company goals. We appreciate your support!

Can you provide examples of how the revenue information can be entered in the system?

There are 3 options for entering data in Step 1 ("the revenue" step). It is important to note that decimals are not allowed in any of the numeric data fields but you are required to ensure the Indirect Allocation Factor field (IAF%) is as accurate as possible.

In the Q1 example, this entry illustrates the percent option when revenue dollars cannot be shared. It is imperative that the percent showing in the IAF% field is accurate to ensure attributable spend is calculated correctly from Step 3 entries.

In the Q2 example, only CenturyLink revenue dollars is illustrated. Remember this entry is used when corporate revenue information cannot be shared at all (including percentages). **This type of entry requires manual calculation and data entry of the diverse vendor spend dollars that can be counted by CenturyLink** (step 3 of report process). The last example in Q3, reflects actual revenue dollars being entered.

Step 1: Enter US Sales, Customer Sales and Purchases

The following information will be used to calculate your indirect allocation factor for each customer (explained in Step 2).

Open Reporting Period(s): 10/1/2009 - 12/31/2009 Reporting Prime: Q PRIME

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		Reporting Periods				Total
		Q1 2009	Q2 2009	Q3 2009	Q4 2009	
Total US Sales		100	100,000	1,200,020	0	1,300,120
Total US Purchases		0	0	0	0	0
		Customer Sales				
QWEST	Sales	10	100,000	112,000	0	212,010
	IAF%	10.00%	100.00%	9.33%	NaN%	

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NOTE: