

CONFIDENTIAL VERSION

**CRICKET COMMUNICATIONS, INC. (U-3076-C)
2013 ANNUAL REPORT AND 2014 ANNUAL PLAN ON
WOMEN, MINORITY AND DISABLED VETERAN-OWNED BUSINESS
ENTERPRISE PROCUREMENT**

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9.1.1 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES—INTERNAL AND EXTERNAL

Cricket Communications, Inc. (“Cricket”) is committed to promoting the overall participation of women, minority, and disabled veteran-owned business enterprises (WMDVBE) in its purchases of materials and services. The Supplier Diversity Program Team administers the internal and external program activities for Cricket.

Cricket established a solid program foundation in 2010 and has continued to build upon and expanded that program. Described below are the internal and external program activities conducted in 2013 to increase the utilization of WMDVBEs within Cricket:

1. INTERNAL PROGRAM ACTIVITIES

During 2013 Cricket continued to engage in activities designed to build a sustainable WMDVBE Program platform and was pleased to exceed its program goal of an overall 1.1% diversity spend for the year by 12%, attaining an overall 13.1%.

A. Sourcing Plan Development

The 2013 focus of the Cricket Sourcing plan was the establishment of a Diversity Sourcing Program. Program cornerstones include:

- WMDVBE Supplier Source Pool Development – Cricket contracted with Dunn and Bradstreet to utilize their Supplier Risk Manager module as a basis for developing and expanding its WMDVBE Supplier Source Pool. This has allowed Cricket the ability to quickly identify new suppliers in order to populate its pool of potential Diversity Suppliers for its various diversity sourcing categories. In addition to reaching out to other suppliers who have Supplier Diversity programs to document additional suppliers by commodity type, in 2013 Cricket focused on enhancing its WMDVBE reporting and implementing its Tier II program.
- Supplier Third Party Certification Program – Cricket has identified its existing supply base’s certification status with regard to Third Party Certification requirements, and has worked to migrate the existing supply base, where appropriate, to the CPUC Clearinghouse. Additionally, new suppliers are contractually required to obtain this certification for program purposes because Cricket modified its contract requirements and added the WMDVBE component.
- Cricket Tier I & II Sourcing Program – Cricket has established Procurement methods and procedures designed to ensure that businesses owned by women, minority groups, and disabled veterans are included in Cricket’s supplier selection process. These processes

target both Tier I spend and Tier II direct and indirect spend. The Tier II program is described in more detail below.

- Cricket Sourcing Training Program– Cricket has developed training materials for all Procurement personnel on general program parameters, program goals and objectives, program benefits, and specific sourcing program methods and procedures. Cricket annually trains all Sourcing managers in addition to new Sourcing managers. The training materials are interactive, substantive as well as standards-based and provide consistent program training content throughout the company.
- Incorporation of WMDVBE Information In Procurement Materials – Where appropriate, Cricket has included WMDVBE information and resources in procurement materials and Cricket’s external web site: <http://www.mycricket.com/become-a-supplier/supplier-diversity>.

B. Supplier Outreach Program Development

During 2013, Cricket worked to improve the program we established in 2011 to identify areas of Supplier Diversity supplier pool gaps by commodity area. Cricket has also worked to improve its outreach program with Minority, Women and Disabled Veteran Councils to increase supplier identification and participation in those deficient areas of business opportunity.

2. EXTERNAL PROGRAM ACTIVITIES

The Supplier Diversity Program Team will continue to utilize various methods that Cricket has found to be successful in reaching its WMDVBE Program goals. These include, but are not limited to: recruiting; proactive action to include diverse suppliers in the bid process through the Sourcing group in Supply Chain Management; participation at training events; and distributing materials to assist entities in becoming certified WMDVBEs.

A. Meetings, Conferences and Trade Fairs

Cricket participates in a number of trade fairs and conferences with the goal of developing and promoting its Supplier Diversity Program, as well as recruiting diverse, innovative firms to participate in the Program. The following list details its participation for 2013.

Date	Organization	Event	Location
Feb 27-28, 2013	Southern California Minority Supplier Development Council	Minority Business Opportunity Day (MBOD)	Industry, CA (Los Angeles)
May 17, 2013	San Diego Regional Minority Supplier Development Council	Awards Celebration, Benefit Concert & Dinner Reception	Escondido, CA

B. Memberships

Cricket participated in several organizations and associations whose mission is to develop minority and women-owned organizations. These organizations included:

- National Minority Supplier Development Council (“NMSDC”)
- Women’s Business Enterprise Council West (“WBEC-West”)
- West Astra Women's Business Alliance (“WAWBA”)

C. Presentations

As part of Cricket’s outreach to suppliers, organizations, and associations, the Supplier Diversity Program Team participates in and, when requested, provides presentations at various events. Cricket did not provide any presentations in 2013. If requested to do so, Cricket is prepared to provide presentations in 2014.

D. Subcontracting Program

Cricket Sourcing Supplier Subcontracting Tier II Program– Cricket will utilize and will continue to develop training materials for all suppliers required to perform Subcontracting Tier II requirements on general program parameters, program goals and objectives, program benefits, and specific sourcing program methods and procedures. Cricket includes a statement in all bidding documents encouraging companies to subcontract to diverse vendors.

9.1.2 SUMMARY OF WMDVBE PURCHASES / CONTRACTS

Cricket is a national provider of wireless voice and broadband telecommunications services, offering service in California and other states. Cricket operates an integrated national network that offers its customers a national wireless communications service platform. All procurement decisions are made on a centralized basis either at Cricket’s national headquarters in San Diego, California or in its procurement headquarters in Denver, Colorado; procurement decisions are not made on a state-by-state basis. Accordingly, it is difficult for Cricket to separate into a California-specific segment the procurement spending that is attributable to Cricket’s operations in the State of California or, for that matter, operations in any particular state.

Despite these current limitations, Cricket has provided Appendices A and B, attached hereto, to show its best derivation of its State of California WMDVBE spending for 2013 based on the

supplier site location as noted in Cricket’s invoice records.¹ Although Cricket may have procured products and services from California suppliers, this does not necessarily mean that the procurement was solely utilized in or for the benefit of Cricket operations in California. Likewise, simply because procurement occurred in other states does not necessarily mean that such procurement was not undertaken for the benefit of Cricket’s operations in California. Given these data limitations, Cricket has reported such information as completely as its records currently permit.

9.1.3 ITEMIZATION OF WMDVBE PROGRAM EXPENSES

CRICKET COMMUNICATIONS, INC.	G.O. 156 Section 9.1.3
Calendar Year 2013	WMDVBE Program Expenses
Expense Category	2013 (Actual \$)
Wages	\$ 100,000
Travel	\$ 3,000
Membership Fees	\$ 21,500
Sponsorships	\$ 0
Web Page	\$ 0
Advertising	\$ 0
Marketing Materials	\$ 0
Tradeshows	\$ 800
Training (D&B Diversity Spend Tracking Software)	\$ 175,000
Total	\$ 300,300

- **Wages:** Supporting this effort were one Director and one Manager.
- **Travel:** Travel to attend trade fairs, supplier site visits, training seminars/workshops
- **Membership Fees:** Memberships to Councils, Chambers of Commerce, other various organizations including the NMSDC, WBEC-West, and WAWBA
- **Cricket Web Page:** Development and hosting of external Cricket Communications page for supplier registration, information and database
- **Advertising:** Publications and external advertising for supplier diversity
- **Marketing Materials:** Materials for trade-shows, give-aways, raffles, printing of brochures, posters, and marketing collateral
- **Tradeshows:** Setup fees, transportation of materials, etc.
- **Training:** Training courses, workshops, seminars; Cricket does not track its costs of participating at various training events

¹ Total spending for the State of California has been identified for all suppliers that Cricket’s records show are located in California.

9.1.4 DESCRIPTION OF PROGRESS IN MEETING OR EXCEEDING SET GOALS

2013 was a formative year for Cricket's Supplier Diversity Program. The emphasis of this Program was twofold; continuing the efforts from 2011 and 2012 to gain access to Supplier Diversity data and formulate reporting capabilities for that data, and including diverse suppliers in the bidding process.

9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS

Cricket places emphasis on extending the diversity efforts and outreach activities related to subcontracting utilizing Cricket's Tier II Subcontracting Program. This program for the current year has been extended for existing and new Cricket suppliers with over \$5M annual spend in 2013.

9.1.6 WMDVBE SUPPLIER COMPLAINTS

Cricket did not receive any formal written complaints in 2013.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

Not applicable.

9.1.8 DESCRIPTION OF EFFORTS TO RECRUIT WMDVBE SUPPLIERS

See sections 9.1.1 and 9.1.2 above.

9.1.9 JUSTIFICATION FOR CONTINUED EXISTENCE OF ANY "EXCLUDED CATEGORY"

For the 2013 report, Cricket has not made any exclusion to the reporting data.

9.1.10 FUEL PROCUREMENT

Cricket has not segregated fuel procurement for 2013 reporting.

CRICKET 2014 ANNUAL PLAN

10.1.1 SHORT, MID, AND LONG-TERM GOALS

CRICKET WMDVBE SHORT, MID AND LONG TERM GOALS BY SIC CATEGORY																			
CRICKET SIC CATEGORY	SHORT-TERM 2014						MID-TERM 2015						LONG-TERM 2016						
	MINORITY		MBE	WBE	WMBE	SDV	MINORITY		MBE	WBE	WMBE	SDV	MINORITY		MBE	WBE	WMBE	SDV	
	MEN	WOMEN					MEN	WOMEN					MEN	WOMEN					
SIC 15 - 17: Construction	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5%	15%	5%	20%	1.5%
	%																		
SIC 20 - 39: Manufacturing	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5.0%	15.0%	5%	20.0%	1.5%
	%																		
SIC 40 - 49: Transportation, Communications, Electric, Gas, And Sanitary Services	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5.0%	15.0%	5%	20.0%	1.5%
	%																		
SIC 50 - 51: Wholesale Trade	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5.0%	15.0%	5%	20.0%	1.5%
	%																		
SIC 52 - 59: Retail Trade	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5.0%	15.0%	5%	20.0%	1.5%
	%																		
SIC 60 - 67: Finance, Insurance and Real Estate	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5.0%	15.0%	5%	20.0%	1.5%
	%																		
SIC 70 - 89: Services	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5.0%	15.0%	5%	20.0%	1.5%
	%																		
SIC 91 - 99: Public Administration	%	7.5%	2.0%	9.5%	4.5%	14.0%	1.0%	9.0%	3.0%	12.0%	4.5%	16.5%	1.5%	10%	5.0%	15.0%	5%	20.0%	1.5%
	%																		

10.1.2 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES—INTERNAL AND EXTERNAL

In 2014, Cricket will organize and carry out its WMDVBE Program as follows:

- Cricket will continue to analyze data for diverse supplier participation in all major expenditure sourcing areas. Where deficiencies are noted, Cricket will coordinate its Supplier Outreach activities in an effort to increase the supplier pool base for sourcing activities.
- Cricket’s Supplier Diversity Program will continue to create avenues for WMDVBEs to have access to key decision-makers within various business units. For example, Cricket will strive to afford WMDVBE suppliers an opportunity to visit with procurement officials to discuss the procurement process, as well as key sourcing opportunities for the coming year.

10.1.3 PLANS FOR RECRUITING WMDVBE SUPPLIERS WHERE WMDVBE UTILIZATION HAS BEEN LOW

Cricket is committed to recruiting and developing WMDVBE talent in traditional, non-traditional, and low utilization areas.

10.1.4 PLANS FOR RECRUITING WMDVBE SUPPLIERS IN ANY "EXCLUDED CATEGORY"

Cricket does not anticipate any excluded spend categories during 2014.

10.1.5 PLANS FOR PRIME CONTRACTORS AND GRANTEEES OF WMDVBE SUBCONTRACTING

In 2011, and carrying over into 2012 and 2013, Cricket has worked to implement a Tier II program with its supply base. This program includes a subcontracting plan (with percentage goals) and quarterly reports for the supplier to submit to Cricket. The program also has provisions for Good Faith Effort reporting and action plan implementations where suppliers are noncompliant in meeting their goals.

Cricket will continue these efforts in 2014. As many suppliers are not prepared to take on the responsibility of supplier diversity requirements, the Supplier Diversity Program Team assists the supplier where necessary in developing a program, understanding the reporting requirements, and referring suppliers. The goal is to promote Supplier Diversity with whomever Cricket is spending its dollars. Cricket will also coach its supply base as necessary on the benefits of a Supplier Diversity Program and the value it can bring to its organization.

**CONFIDENTIAL INFORMATION SUBMITTED UNDER SEAL PURSUANT TO
GENERAL ORDER 66-C AND PUBLIC UTILITIES CODE SECTION 583**

Appendix A

2013 Cricket Spend By Ethnicity (CA Only)

DIVERSITY CATEGORY	SUB-CATEGORY	TOTAL DOLLARS SPENT	% OF SPEND	# OF COMPANIES
MINORITY MEN	ASIAN-PACIFIC	\$610,537	0.51%	5
	BLACK	\$258,285	0.22%	3
	HISPANIC	\$185,906	0.16%	4
	NATIVE AMERICAN	\$4,388	0.00%	1
	OTHER	\$5,913,889	4.96%	3
	TOTAL MINORITY MEN		\$6,973,005	5.85%
MINORITY WOMEN	ASIAN-PACIFIC	\$6,511,751	5.47%	5
	BLACK	\$3,285	0.00%	1
	HISPANIC	\$53,210	0.04%	2
	NATIVE AMERICAN	\$0	0.00%	0
	OTHER	\$28,472	0.02%	2
	TOTAL MINORITY WOMEN		\$6,596,718	5.54%
TOTAL MINORITY BUSINESS ENTERPRISE		\$13,569,723	11.39%	26
WOMEN BUSINESS ENTERPRISE (WBE)		\$2,067,339	1.74%	30
SUB-TOTAL WOMEN & MINORITY BUSINESS ENTERPRISE		\$15,637,062	13.12%	56
SERVICE DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)		\$0	0.00%	0
TOTAL WMDVBE		\$15,637,062	13.12%	56
NON-WMDVBE		\$103,504,287	86.88%	541
TOTAL PROCUREMENT		\$119,141,349	100.00%	597

Note: Appendices A and B, below, reflect that Cricket has been successful in exceeding its 2013 California spend goal by 1.1%, bringing Cricket's total diverse spend to 13.1% for 2013. (Spend goal for 2013 was 12%).

**CONFIDENTIAL INFORMATION SUBMITTED UNDER SEAL PURSUANT TO
GENERAL ORDER 66-C AND PUBLIC UTILITIES CODE SECTION 583**

Appendix B

2013 Cricket Spend By SIC Code (CA - Minority)

D&B SIC	Spend	Category	Percentage of Total Spend
42	\$24,763	Motor Freight Transportation	0.1825%
47	\$53,210	Transportation Services	0.3921%
48	\$4,667,204	Communications	34.3942%
50	\$6,337,263	Wholesale Trade - Durable Goods	46.7015%
55	\$20,458	Automotive Dealers and Gasoline Service Stations	0.1508%
59	\$1,322,535	Miscellaneous Retail	9.7462%
70	\$39,925	Hotels, Rooming Houses, Camps, and Other Lodging Places	0.2942%
73	\$747,059	Business Services	5.5053%
78	\$3,344	Motion Pictures	0.0246%
87	\$353,962	Engineering, Accounting, Research, Management & Related Svcs	2.6085%
	\$13,569,723		11.3896%

2013 Cricket Spend By SIC Code (CA - Women Owned)

D&B SIC	Spend	Category	Percentage of Total Spend
07	\$9,408	Agricultural Services	0.4551%
17	\$2,418	Construction - Special Trade Contractors	0.1170%
34	\$17,951	Fabricated Metal Prdcts, Except Machinery & Transport Eqmmt	0.8683%
48	\$60,939	Communications	2.9477%
50	\$19,793	Wholesale Trade - Durable Goods	0.9574%
57	\$21,500	Home Furniture, Furnishings and Equipment Stores	1.0400%
59	\$883	Miscellaneous Retail	0.0427%
70	\$42,786	Hotels, Rooming Houses, Camps, and Other Lodging Places	2.0696%
73	\$1,464,662	Business Services	70.8477%
81	\$39,096	Legal Services	1.8911%
87	\$387,848	Engineering, Accounting, Research, Management & Related Svcs	18.7607%
99	\$55	Nonclassifiable Establishments	0.0027%
	\$2,067,339		1.7352%

2013 Cricket Spend By SIC Code (CA - Disabled Veteran Owned)

D&B SIC	Spend	Category	Percentage of Total Spend
	\$0		0.0000%