

Attachment A Tier II Initiative

1.0 Definitions

1.1 A “Minority-Owned Business Enterprise” (MBE) is a “for profit” business, physically located within the United States or its trust territories, that is at least 51 percent owned, and whose management and daily business operations are controlled, by one or more members of a socially and economically disadvantaged minority group — namely, U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans.

1.2 A “Woman-Owned Business Enterprise” (WBE) is a “for profit” business, physically located within the United States or its trust territories, that is at least 51 percent owned by a woman (or women) who is a U.S citizen, controls the business by exercising the power to make policy decisions, and operates the business by being actively involved in its day-to-day management.

1.3 A “LGBT-Owned Business Enterprise” (LGBT) is a “for profit” business, physically located within the United States or its trust territories, that are 51 percent owned by a lesbian, gay, bisexual or transgender individual.

1.4 A “Certified Diverse Supplier” means a supplier that has been certified by an official independent third party agency as one or more of the following;

- Woman-Owned Business Enterprise (WBE)
- Minority-Owned Business Enterprise (MBE)
- Lesbian, Gay, Bisexual and Transgender – Owned Business Enterprise (LGBT)

1.5 A “Second Tier Supplier” is a Certified Diverse Supplier that is used by Supplier to provide goods and/or services under this Agreement.

1.6 A “Direct Subcontractor” is a Certified Diverse Supplier that is used by Supplier to provide goods and/or services directly related to this Agreement (i.e. the subcontractor is solely used by the supplier to fulfill the specific Agreement)

1.7 An “Indirect Subcontractor” is a Certified Diverse Supplier that is used by Supplier to provide goods and/or services as a general vendor to the Supplier and is not directly related to this Agreement (i.e. the subcontractor is used by the Supplier to support the operations of the company – office supplies, marketing, etc.)

2.0 Requirements

2.1 Diverse Subcontractor Utilization Requirement

Each calendar year of the period of performance, Supplier is required to use reasonable efforts, as defined by Cox Enterprises, to provide quarterly spend with Certified Diverse Suppliers, or if this Agreement is for a specific term less than one year, over the term of the Agreement. Supplier recognizes and agrees that the spend data request referenced above may be achieved by using Direct and Indirect Subcontractors. Notwithstanding the foregoing, the responsibility for

providing diverse spend data shall remain with Supplier, who shall not be excused by reliance upon any other entity.

2.2 Certification Requirement

Supplier shall supply to Cox Enterprises' Supplier Diversity Group copies of official certification documentation for itself and/or its current Second Tier Subcontractors before execution of this Agreement, and for new Second Tier Subcontractors prior to their providing goods and/or services, and shall promptly inform Cox Enterprises of any change in such status.

2.3 Supplier Diversity Subcontracting Plan

If by the mid-term of each year of this contract Supplier has not provided its M/WBE subcontracting data, Supplier will fully complete an M/WBE subcontracting plan and activity report that itemizes activities taken or to be taken to comply with the subcontracting requirements of this contract. However, Cox Enterprises may request a fully-completed subcontracting plan at any time during the term of this Agreement. Supplier will be provided a 30 day period to fully complete such plan when requested.

2.4 Reasonable Efforts

Supplier must make reasonable efforts, as defined by Cox Enterprises, to meet its Diverse Supplier Utilization Requirements. Supplier's failure to comply in good faith with this provision of this Agreement, including Supplier's failure to provide quarterly reports, fully complete a subcontracting plan at the request of Cox Enterprises, or to cooperate in any investigation conducted by Cox Enterprises of Supplier's performance under this provision of the Agreement, shall be deemed a material breach of this Agreement by Supplier.

2.5 Requirement Exceptions

Subcontracting requirements do not apply to Supplier if:

- (1) The total Cox Enterprises contractual commitment does not meet the \$500,000 minimum contract value threshold.
- (2) It is determined by Cox Enterprises that subcontracting possibilities do not exist by considering relevant factors such as:
 - a. Whether firms in the industry of the product or service procured by Cox Enterprises customarily subcontract part of the work or maintain sufficient in-house capability to perform the work;
 - b. The availability of diverse businesses in the commodity areas of subcontracting need; and
 - c. The availability of diverse businesses in the commodity areas that can support daily operations of the supplier (i.e. "indirect" spending such as office supplies / equipment, marketing, printing services, etc. that is not "directly" related to the Cox Enterprises contract
- (3) Cox Enterprises deems that M/WBE subcontracting is not required for a particular contract; as determined by the Cox Enterprises Supplier Diversity Manager
- (4) For contracts or contract modifications that will be performed entirely outside of the United States and its outlying areas