Northeast Utilities' (NU) Second Tier Procurement Program

Attached are forms that can be used to document your company's subcontracting activity with diverse suppliers (i.e., minorities, women, veterans or HUBZone business enterprises). You are not required to use these forms. However, please be sure that all of the information that we request is submitted for each diverse category.

There are two reporting categories:

Direct expenditures are those material and service acquisitions from diverse vendors that can be directly attributed to an NU contract or purchase order. For example – your company provides general construction services to NU and you subcontract earthmoving and painting to diverse suppliers. In this instance, 100% of the painting and earthmoving expenditures should be reported to NU. Another example – your company provides NU with office supplies under a blanket purchase order and you purchase pens, pencils, and stationary from diverse suppliers. Expenditures for the volumes of these pens, pencils and stationary furnished to NU should be reported at 100%.

Indirect expenditures are those material and service acquisitions from diverse suppliers 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 diverse suppliers that are used in the direct production of your product or service. These "indirect expenditures" should be proportionately allocated and reported to NU as outlined in the example below:

Diverse Vendor "indirect allocation"

$$\frac{\text{Your YTD Sales to NU}}{\text{Total YTD Sales}} = \text{Allocation Factor}$$

(Total YTD diverse vendor (by category) indirect expenditures X Allocation Factor = NU's Diverse Vendor Allocation)

To further illustrate: Your company's total sales are $50 million; total sales to NU are $3 million and total diverse vendor expenditures are $5 million:

$$\frac{\$\ 3{,}000{,}000}{\$50{,}000{,}000} = 0.06$$

$5,000,000 X 0.06 = $300,000 or NU's diverse vendor allocation

For direct and indirect expenditures, please provide the names of the diverse vendor companies, their addresses, diversity classification and dollar amounts.

Diverse Supplier Expenditure Report

Northeast Utilities Second Tier Program
(Indirect Expenditures)

NU's Contract/Purchase Order Number: _____

Indirect Diverse Supplier Expenditure Allocation:
(Minority Business Enterprises (MBE) Only)

		Factor
Sales to NU	$_____	_____
Total MBE Vendor Expenditures	$_____	
NU's Allocation	$_____	

Indirect Diverse Supplier Expenditure Allocation:
(Woman-Owned Business Enterprises (WBE) Only)

		Factor
Sales to NU	$_____	_____
Total WBE Vendor Expenditures	$_____	
NU's Allocation	$_____	

Indirect Diverse Supplier Expenditure Allocation:
(Veteran-Owned Business Enterprises (VE) Only)

		Factor
Sales to NU	$_____	_____
Total VE Vendor Expenditures	$_____	
NU's Allocation	$_____	

Indirect Diverse Supplier Expenditure Allocation:
(Service Disabled Veteran-Owned Business Enterprises (SDV) Only)

		Factor
Sales to NU	$_____	_____
Total SDV Vendor Expenditures	$_____	

NU's Allocation $_____

Indirect Diverse Supplier Expenditure Allocation:
(HUBZone Business Enterprises (HUB) Only)

		Factor
Sales to NUSCO	$_____	_____
Total HUBZone Vendor Expenditures	$_____	
NU's Allocation	$_____	

Note: Please refer to the expenditure allocation formula and procedures for calculating in NU's Second Tier Reporting Program document.

_____
Submitted By

_____
Title

_____
Date

Second Tier Direct Expenditure Report - Northeast Utilities

Supplier's Name: _____
Address: _____
Supplier's Job #: _____
Telephone: _____
Submitted By: _____

Report Date: _____
Purchase Order: _____

% Complete: _____

(1)	(2)	(3)	(4)	(5)
WORK DESCRIPTION	SUBCONTRACTING	TAX ID NUMBER	W/M/V/HUB/SDV BE CODE	PROPOSED VS
	SUPPLIER CONTACT			ACTUAL PAYMENT
	& TELEPHONE #			

Guidelines for Second Tier Direct Expenditure Reporting

Special Note to Prime Suppliers: To comply with provisions outlined in contract proposals awarded by our company, please complete columns 1 through 5 for each diverse subcontractor. It will be necessary to submit this report or the equivalent quarterly.

At a minimum, the prime supplier should provide the following second tier information when submitting a quarterly report:

1. Work Description – a brief statement of the goods and/or services provided by the diverse subcontractor
2. Subcontractor/Sub supplier Name, Contact Person, & Telephone Number – the name of the contact within the diverse business enterprise who can verify expenditures made by the supplier
3. Tax ID Number – the tax identification number assigned to the diverse supplier
4. W/M/VE/SDV BE Code – the code identifying the diversity characteristic of the subcontracting supplier. These codes are further defined as follows:

WBE: a Woman-Owned Business Enterprise that is at least 51% owned by one or more women of any race and whose management and daily business operations is controlled by one or more women of any race.

MBE: a Minority (i.e., African American, Asian American, Pacific Islander, Native Indian, Hispanic American) Business Enterprise that is at least 51% owned by a minority individual or group or in the case of a publicly owned business, at least 51% of the stock of which is owned by one or more minority groups and whose management and daily business operations is controlled by one or more minorities.

VEBE: a Veteran Owned Business Enterprise is at least 51% owned and daily managed by one or more U.S. veterans.

SDVBE: a Service Disabled Veteran Business Enterprise is at least 51% owned by a veteran who has a service related disability and whose daily business operations are controlled by one or more disabled U.S. veterans.

HUB a business with their principle office or manufacturing facility located in a designated HUBZone. 35% of their employees must reside in a HUBZone and the owners must be American Citizens.

CONTROL: Exercising the power to make policy decisions.

OPERATE: Being actively involved in the day to day management and not merely acting as officers or directors.

5. Original Proposed Expenditures – initial estimate of anticipated expenditures with diverse suppliers

6. Actual Payment – total of payments made to the diverse suppliers through the current reporting period