

1.0 Definitions

“Minority-Owned Business Enterprise” (MBE) is a “for profit” business, physically located within the United States or its trust territories, that is at least fifty-one percent (51%) 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.

“Woman-Owned Business Enterprise” (WBE) is a “for profit” business, physically located within the United States or its trust territories, that is at least fifty-one percent (51%) 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.

“Veteran-Owned Business Enterprise” (VBE) is a “for profit” business, physically located within the United States or its trust territories, that is at least fifty-one percent (51%) owned by a United States military veteran (per Department of Defense Form 214 – DD214) 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.

“Service-Disabled Veteran-Owned Business” (SDVOB) is a “for profit” business, physically located within the United States or its trust territories, that is at least fifty-one percent (51%) owned by a United States military veteran (per Department of Defense Form 214 – DD214) who has received service-disabled status from the US Department of Veteran Affairs, 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.

“LGBT Business Enterprise” (LGBTBE) is a “for profit” business, physically located within the United States or its trust territories, that exercises independence from any non-LGBT business enterprise and is at least fifty-one percent (51%) owned by an LGBT person (or persons) 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.

“Disabled-Owned Business Enterprise” (DOBE) is that exercises independence from any non-DOBE business enterprise and is at least fifty-one percent (51%) owned by a person (or persons) with a physical and/or mental impairment that substantially limits one or more major life activities of an individual and can be demonstrated by appropriate documentation.

“Certified Diverse Supplier” is a supplier that has been certified by an official independent third party agency other than a self-certification system or a local or state government as one or more of the following and is demonstrated by the appropriate active documentation:

- Minority-Owned Business Enterprise (MBE)
- Woman-Owned Business Enterprise (WBE)
- Veteran-owned Business Enterprise (VBE)
- Service-Disabled Veteran-Owned Business (SDVOB)
- LGBT Business Enterprise (LGBTBE)

- Disabled-Owned Business Enterprise (DOBE)

“Second Tier Supplier” is a Certified Diverse Supplier that is used by Supplier to provide goods and/or services to Supplier directly or indirectly.

“Direct Subcontractor” is a Certified Diverse Supplier that provides goods and/or services to Supplier, which goods and/or services are directly related to the Agreement (i.e. the subcontractor is directly used by Supplier to fulfill its obligation to provide products and services to Segra under the Agreement).

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

2.0 Requirements of the Initiative

2.1 Certified Diverse Subcontractor Reporting Requirement

If the total value of products and services to be provided under this Agreement equals or exceeds five hundred thousand dollars (\$500,000), Supplier shall participate in and fulfill the requirements applicable to this level of spend. For each calendar quarter during the Term of the Agreement, or if the Term is less than a calendar quarter, then for the Term of the Agreement, Supplier is required to report its supplier diversity spending with Certified Diverse Suppliers for goods and services via the Segra online reporting tool. The reporting will comprise both Direct Subcontractors and Indirect Subcontractors.

2.2 Contracts That Equal or Exceed One Million

If the total value of the products and services to be provided under this Agreement equals or exceeds one million dollars (\$1,000,000) then Supplier is required to comply with the additional obligations in this Section 2.2. Supplier is required to use reasonable efforts, as defined by Segra, to pay to Certified Diverse Suppliers for goods and services in at least an amount equal to the minimum diverse supplier utilization goal of “__” percent (__%) of the total of that calendar year’s value of the Agreement, or if the Term of the Agreement is less than a calendar year, then the total value of the Agreement (the “Goal”). This spending requirement may be achieved by using Direct Subcontractors and Indirect Subcontractors. Notwithstanding the foregoing, the responsibility for achieving its Goal shall remain with Supplier, who shall not be excused by reliance upon any other entity. Supplier shall make reasonable efforts, as defined by Segra, to meet its Goal and to fulfill the other requirements of the Initiative set forth herein. Supplier’s failure to comply in good faith with the Goal and the other requirements of the Initiative set forth herein, including Supplier’s failure to cooperate in any investigation conducted by Segra of Supplier’s performance under these provisions, will be a material breach of the Agreement by Supplier. If by the mid-term of each calendar year during the Term of the Agreement, Supplier is not on target to meet its Goal, Supplier will fully complete Certified Diverse Supplier subcontracting plan and activity report that itemizes activities taken or to be taken to comply with the requirements of the Initiative. However, Segra may request a fully-completed subcontracting plan at any time during the Term of the Agreement. Supplier will deliver to Segra the fully completed subcontracting plan within thirty (30) days of its receipt of Segra’s request. Supplier shall make reasonable efforts, as defined by Segra, to meet its Goal and to fulfill the other requirements of the Initiative set forth herein. Supplier’s failure to comply in good faith with the Goal and the other requirements of the Initiative

set forth herein, including Supplier's failure to cooperate in any investigation conducted by Segra of Supplier's performance under these provisions, will be a material breach of the Agreement by Supplier.

2.3 Certification Requirement

Supplier shall supply to Segra's Supplier Diversity Group copies of official certification documentation before execution of the Agreement for itself and/or its current Second Tier Supplier, and prior to such Second Tier Supplier providing goods and/or services for each new Second Tier Supplier, and shall promptly inform of any change in its status or the status of its Second Tier Suppliers.

2.4 Quarterly Reports

Supplier shall provide to Segra a quarterly report which outlines its detailed efforts to participate in the Initiative beginning the fifteenth (15th) day of the calendar month following each quarter end. The report shall be delivered to Segra through its online reporting tool found in the email communication provided each quarter by Segra.

3. Requirement Exceptions

The reporting requirements of the Initiative do not apply to Supplier if:

- The total value of products and services to be provided under this Agreement is less than five hundred thousand dollars (\$500,000).
- It is determined by Segra, in its sole discretion, that subcontracting possibilities for Supplier do not exist by considering relevant factors such as:
 - Whether firms providing products and services similar to those products and services being provided by Supplier to Segra under the Agreement customarily subcontract part of the work or maintain sufficient in-house capability to perform the work;
 - The availability of Certified Diverse Suppliers capable of providing goods and/or services to Supplier which directly related to the Agreement; and
 - The availability of Certified Diverse Suppliers capable of supporting daily operations of Supplier (i.e., "indirect" spending such as office supplies / equipment, marketing, printing services, etc.) that are not directly related to the Agreement.
- Segra determines, in its sole discretion that Supplier shall not be required to participate in and fulfill the requirements of the Initiative in connection with the Agreement.
- Supplier will perform all of its obligations under the Agreement outside of the United States.