AMERICAN ELECTRIC POWER℠

BOUNDLESS ENERGY℠

Tier 2 Reporting

Supplier Submissions Guide

2020

Power Advocate

Tier 2 Subcontractor Reporting

- To help promote business opportunities for diverse businesses, specifically **minority-owned** (i.e., African-American, Asian Pacific American, Asian Sub-Continent American, Hispanic American, and/or Native American), **woman-owned**, **veteran-owned**, **service disabled veteran-owned**, and **LGBT-owned** businesses in relationship to AEP contracts, AEP Diversity has established a company-wide Tier 2 direct spend reporting initiative. It is conducted quarterly using a software called PowerAdvocate. The information provided is used to evaluate contract compliance.

- By utilizing PowerAdvocate for this process, AEP has automated how we request, communicate, gather, and consolidate reports from all the suppliers providing Tier 2 subcontractor diversity data

- General questions or feedback about **AEP Tier II Spend Collection** – please contact
  --- AEP's supplier diversity team at SUPPLIERDIVERSITY@AEP.COM or 614-716-3963

- Technical questions related to using PowerAdvocate for reporting – please contact
  --- PowerAdvocate Support at Support@PowerAdvocate.com or 857-453-5800

Important Details

- **Expectations:** AEP requires primes to submit data in both the Direct & Indirect questionnaires. If there is no diverse subcontracting in a quarter, **submitting $0.01 is required**

- **Company Information Disclosure:** If you have concerns or limitations on disclosing certain details to AEP (e.g. Total Company Sales), please contact Sam Todd at STODD@AEP.COM

- **Confirmation of Submission:** After you have selected Save or Submit at the end of each questionnaire, you will be returned to the "Fill out Questionnaires" tab. Your responses were successfully received

- **Corrections and Modifications:** Should you need to make a correction or update a previously submitted form, you can re-enter the questionnaire and make these changes, and upon selecting submit your report will be immediately saved

AEP'S Fiscal Calendar and Expectations for Quarterly Submissions

- **AEP operates on a calendar fiscal year**. This means that AEP's calendar year starts on January 1 and ends on December 31.

- AEP's Q1 is January – March
- AEP's Q2 is April – June
- AEP's Q3 is July- September
- AEP's Q4 is October – December

- **AEP requires suppliers to submit their Quarterly Spend at the beginning of the following quarter**. For example, Q1 spend is expected to be submitted in the beginning of April and Q2 spend is expected to be submitted in the beginning of July, etc.

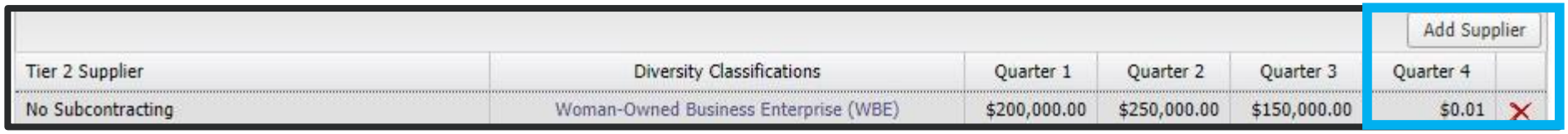
- If your company does not operate on a fiscal calendar year, please contact AEP's supplier diversity team at SUPPLIERDIVERSITY@AEP.COM or 614-716-3963

Submitting No Direct Spend for a Quarter

- If there is no direct spend with a diverse subcontractor in particular month, you submit at least $0.01 (a penny) for these months. You must submit at least $0.01 each month for each diverse subcontractor entered in the questionnaire, as blank submissions are not accepted by AEP

How to report a $0 (no spend) submission:

- *If you are reporting $0 spend for just one quarter, then the $0.01 will be among actual spend of the other quarters*



Add Supplier

Tier 2 Supplier	Diversity Classifications	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
No Subcontracting	Woman-Owned Business Enterprise (WBE)	$200,000.00	$250,000.00	$150,000.00	$0.01	✕

- *If you are reporting $0 spend for the year for all subcontractors, please enter "No Subcontracting" into the supplier field, select WBE for diversity, and enter $0.01 in each of the quarters*



Add Supplier

Tier 2 Supplier	Diversity Classifications	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
No Subcontracting	Woman-Owned Business Enterprise (WBE)	$0.01	$0.01	$0.01	$0.01	✕

If you are reporting $0 for the year for a single subcontractor, just remove this supplier from the year's form with the red "X" at the right.

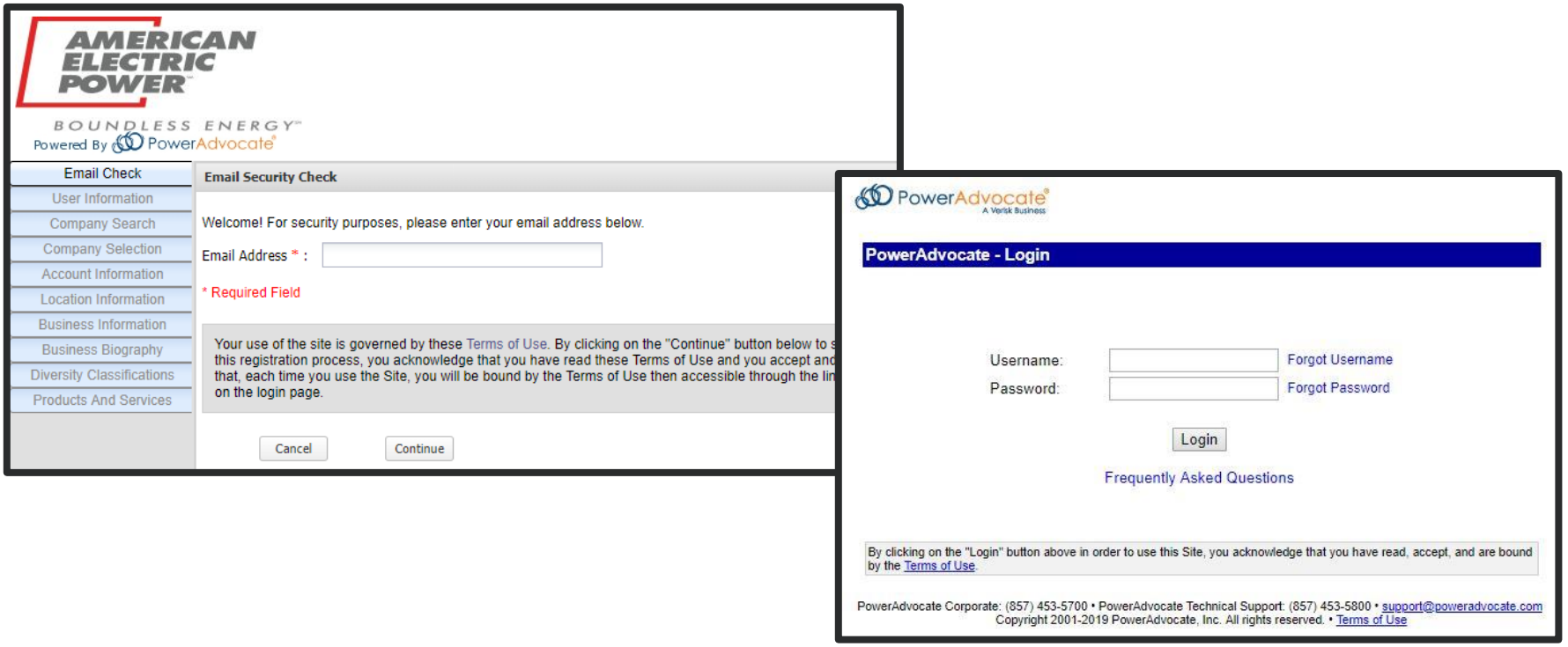
Login & Company Registration

User Setup & Login

- Step 1 – Follow the link in the Portal Invitation email sent from AEP

-- If you already have an **existing account on PowerAdvocate**, follow the link and sign-in with your existing username

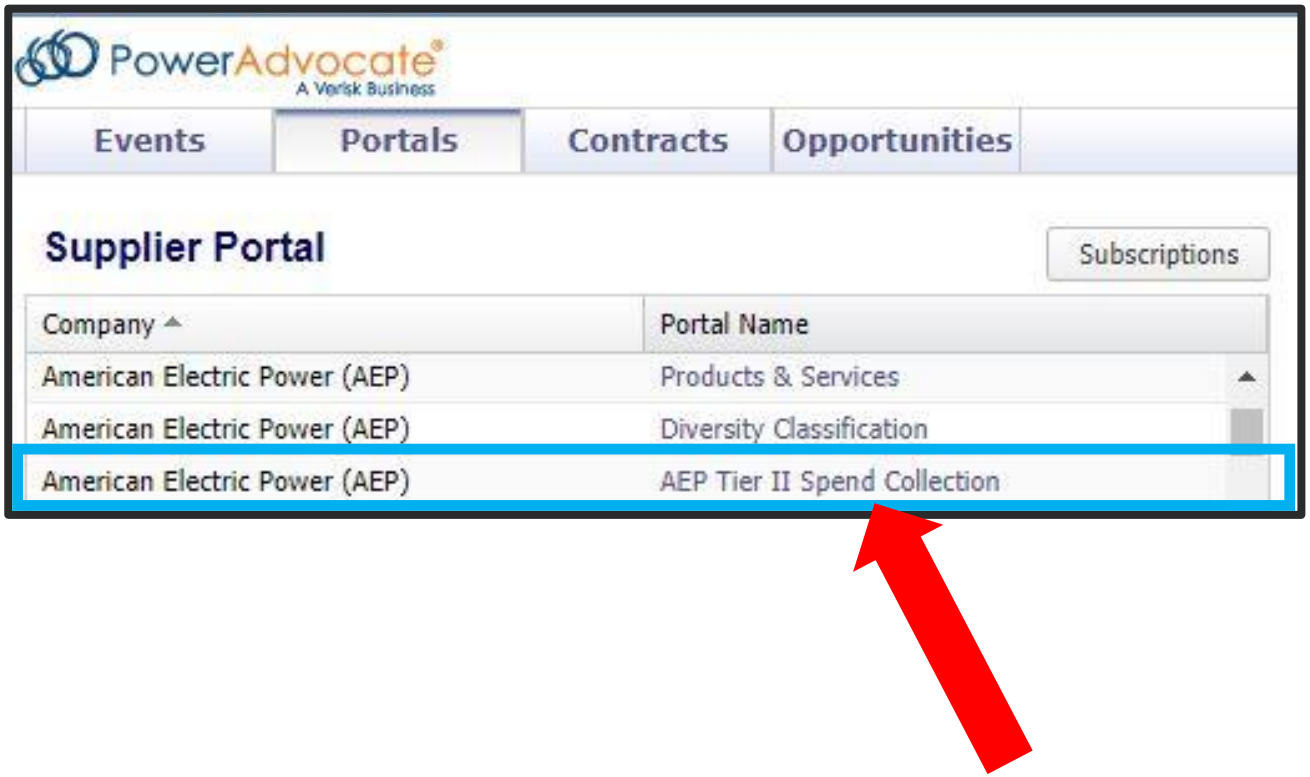
--- If you have been **invited to register a new accoun**t, please follow the link in the Portal Invitation email and complete the Registration



Portals

Access the AEP Portal

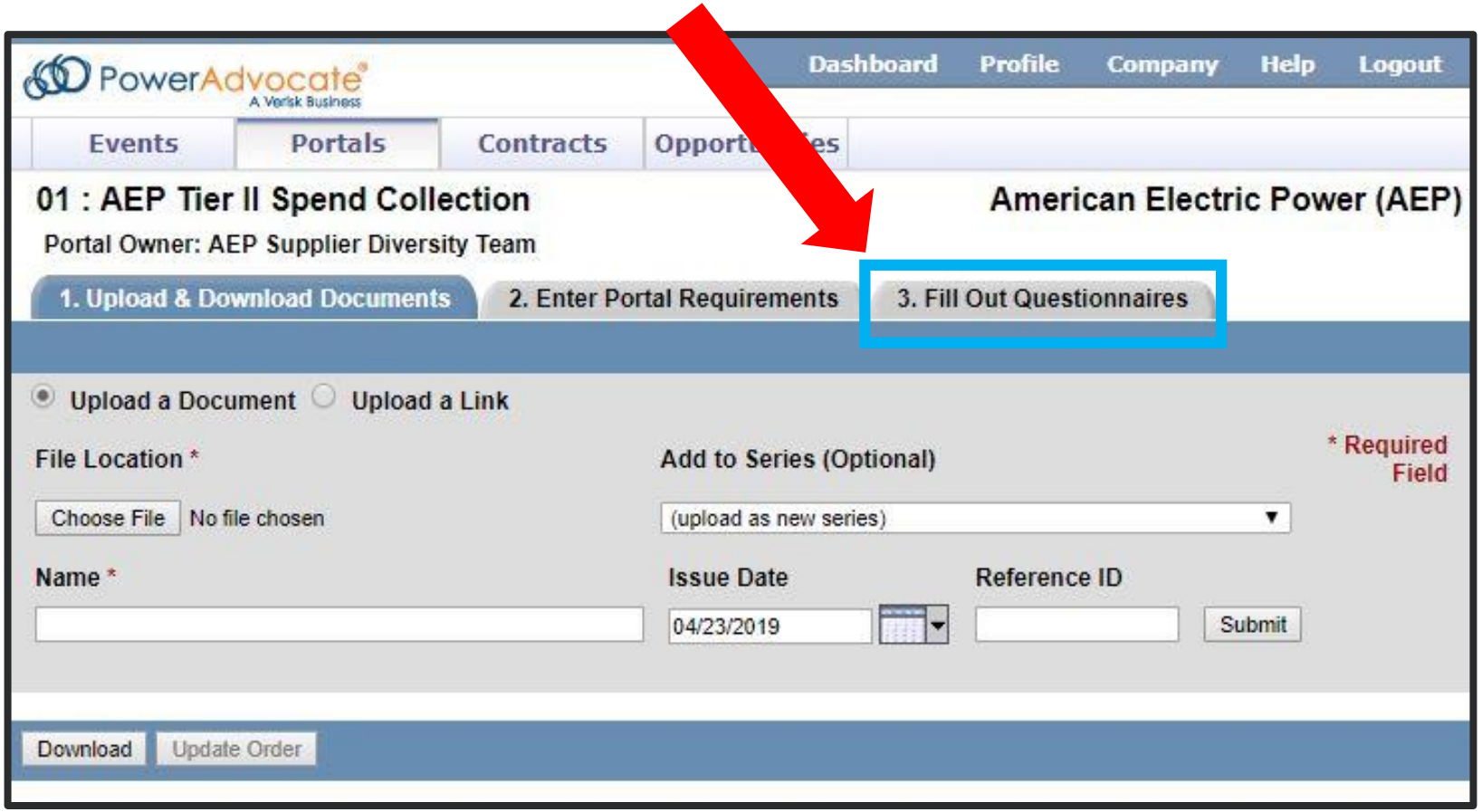
- Step 2 – From the **Portals** tab, click on **AEP Tier II Spend Collection**



Portal Main Page

Initially Displays Documents & Guides

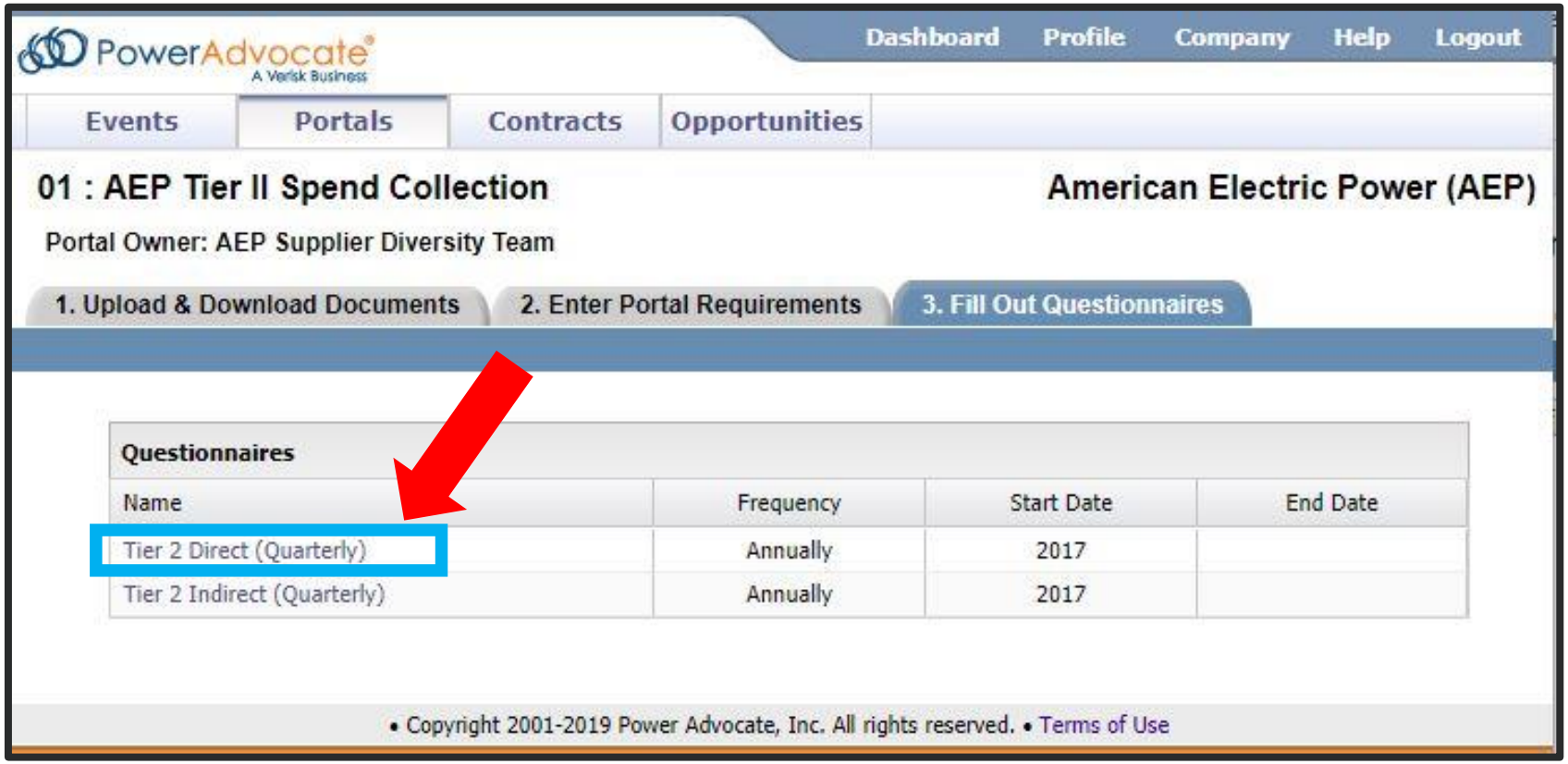
- Step 3 – Select the **Fill Out Questionnaires** tab



Accessing Questionnaires

Displays All Tier 2 Questionnaires

- Step 4 – Select the first questionnaire, **Tier 2 Direct (Quarterly)** for *Direct Spend Submissions*



Direct Spend – Spend contracted by the Prime Supplier with Tier II diverse subcontractors for goods and services that directly support the fulfillment of an AEP contract.

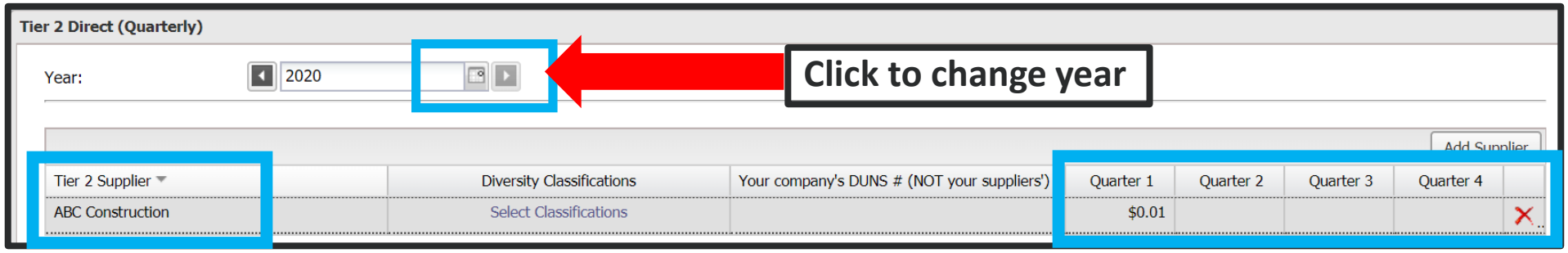
Direct Tier 2 Questionnaire

Displays Fields for Prime Suppliers

- Step 5 – Open the reporting form. Use the calendar arrows to change the year. **Make sure the year is set to the correct year before submitting.** Next, enter the names of your diverse, certified subcontractors in the first column named 'Tier 2 Supplier'.

  ---If you submitted Tier II information to AEP previously via PowerAdvocate, then the Tier 2 Supplier and diversity classifications will populate

  - To remove previous suppliers, click the red "X" to remove the entire row
  - To add new suppliers, select "Add Supplier" to create new rows

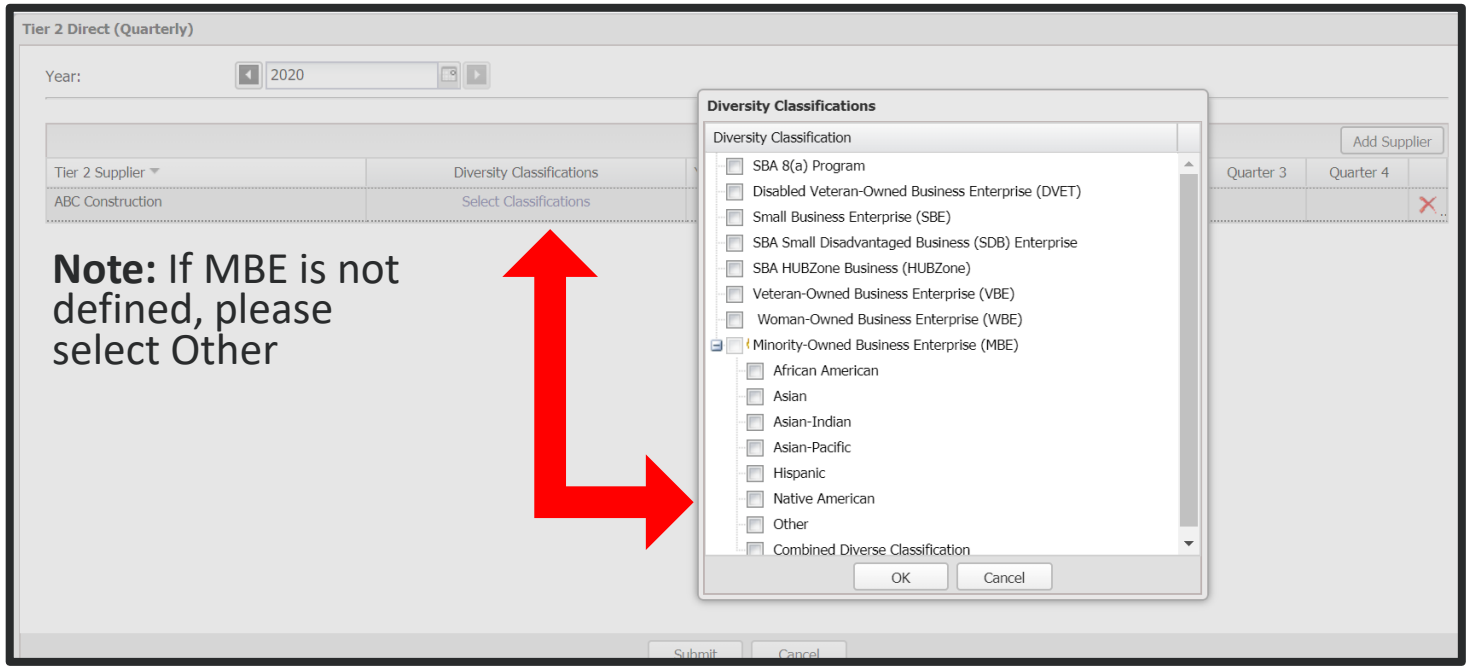


Note: If your company does not collect details of "Tier 2 Supplier" names, please report by designation (e.g. MBE), using a separate row for each classifications or instead use the Combined Diversity Classification

Direct Tier 2 Questionnaire

Displays Fields for Prime Suppliers

- Step 6 – Select the classifications for each of your diverse subcontractors by clicking on **Select Classifications** and checking off one or more designations in the pop-up view

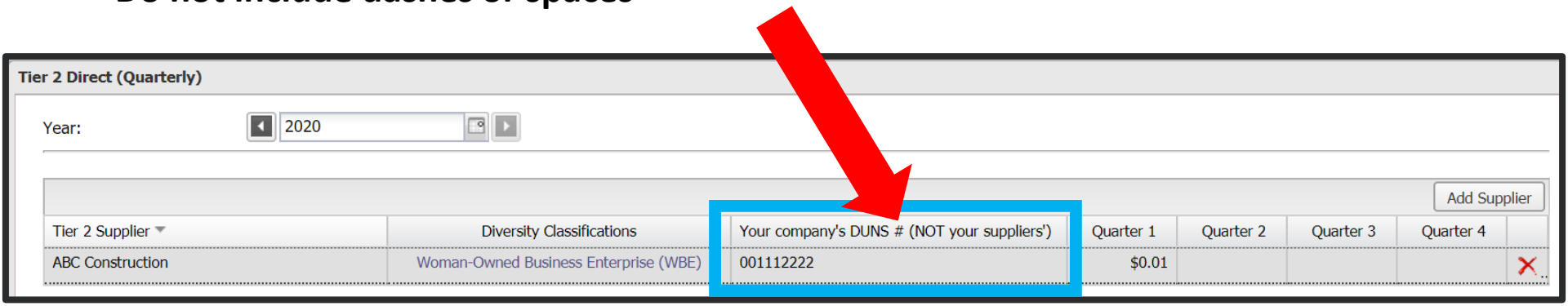


Reminder: Diversity Classifications will pre-load from your previous submission. Please modify if the information has changed. If your company does not track diversity classifications (SBA, SBE, DVET, etc) separately, you can use the Combined Diversity Classification instead

Direct Tier 2 Questionnaire

Displays Fields for Prime Suppliers

- Step 6b – Add YOUR COMPANY'S DUNS number. This is to track the **prime supplier (you)**, not the Tier 2 Supplier.
  - **All lines should include this number**
  - **Do not include dashes or spaces**



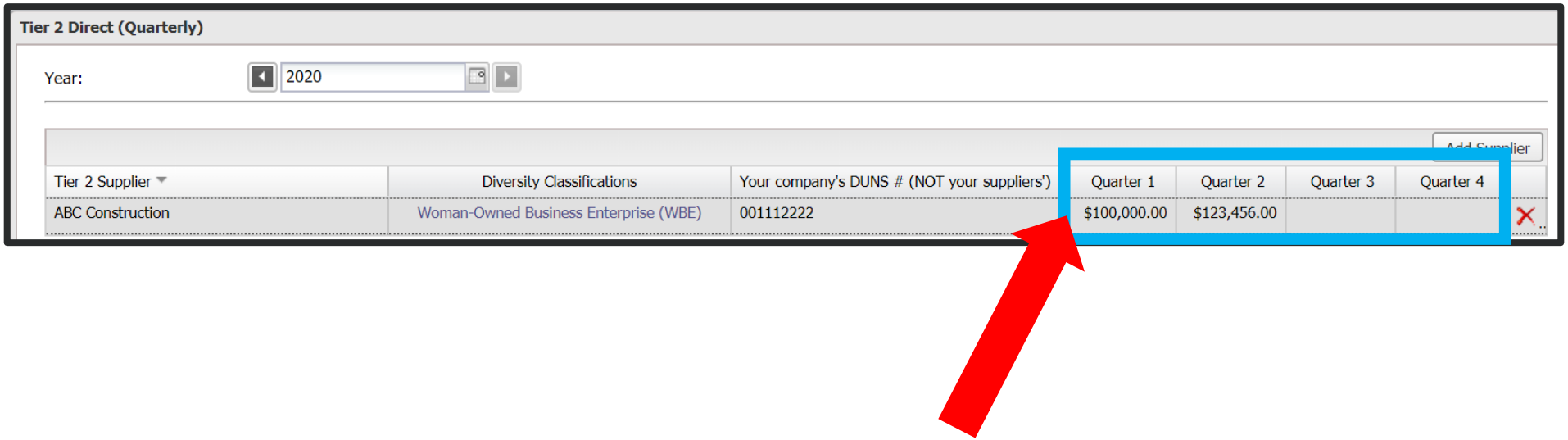
Reminder: All fields must be filled out in order to submit spend reporting. Therefore, all lines must include at least one Diversity Classification and Your company's DUNS number.

For more information, check out Dun & Bradstreet's website, or contact SUPPLIERDIVERSITY@AEP.COM

Direct Tier 2 Questionnaire

Displays Fields for Prime Suppliers

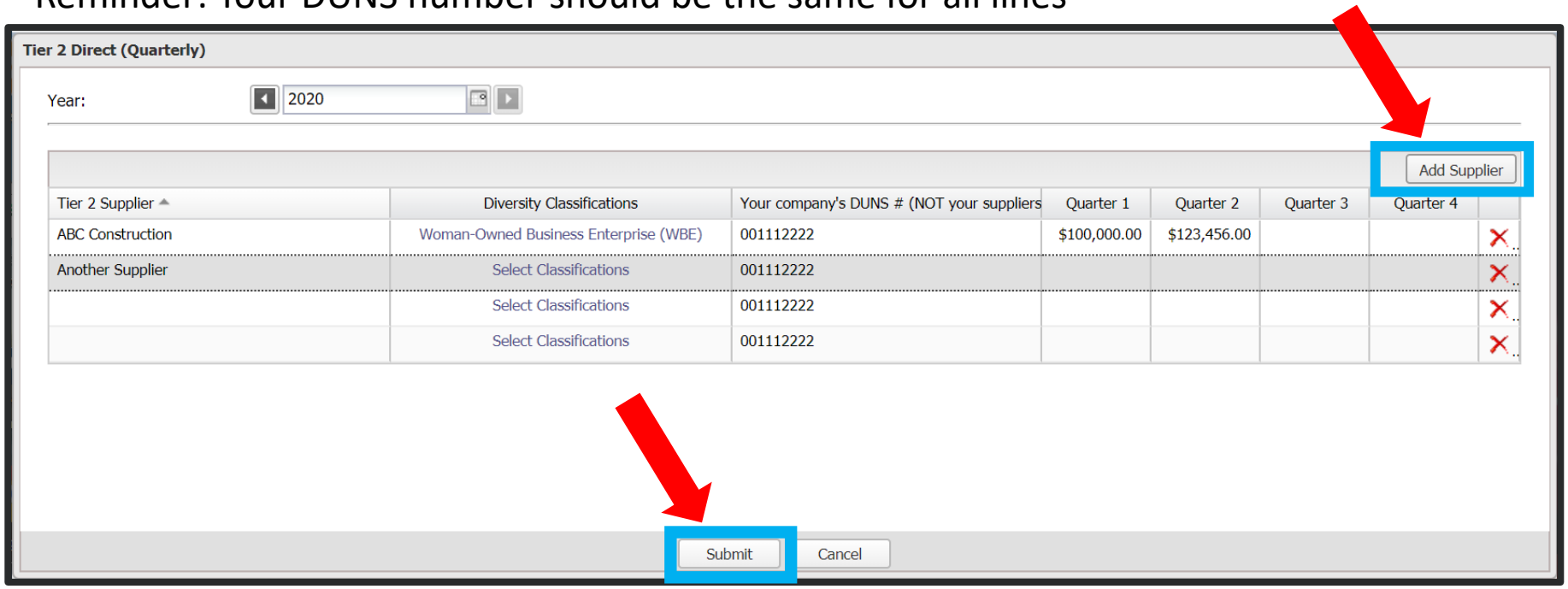
Step 7 – Enter the direct spend conducted with each diverse subcontractor by quarter in the appropriate columns



Direct Tier 2 Questionnaire

Displays Fields for Prime Suppliers

- Step 8 – Select the **Add Supplier** button to add additional blank rows, where you can add additional subcontractor entries to the form
- Reminder: Your DUNS number should be the same for all lines

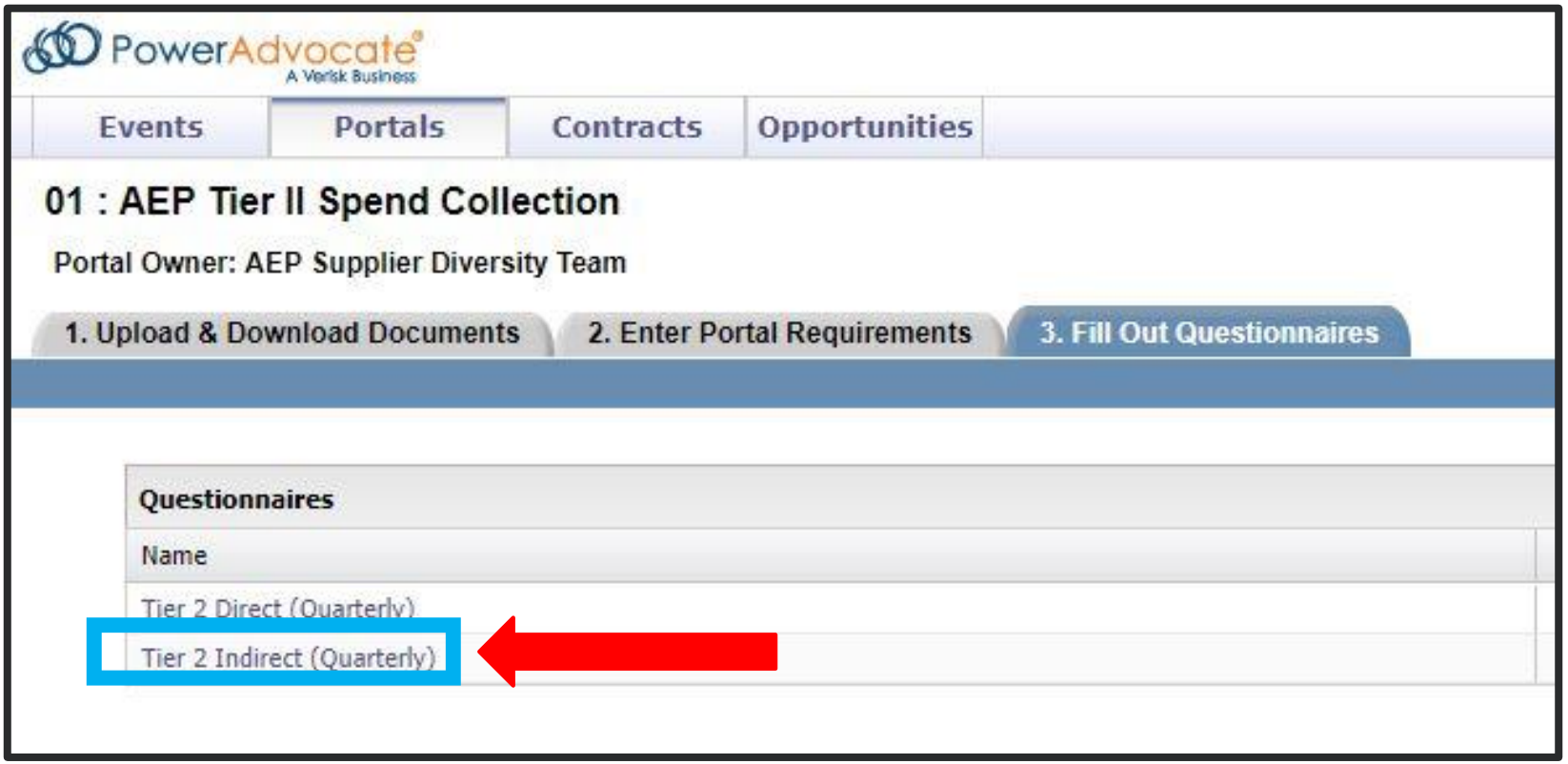


- Once you are done completing these entries, click on **Submit** at the bottom of the page. Your responses will have been submitted if you are returned to the *Fill Out Questionnaires* tab.

Accessing Questionnaires

Displays All Tier 2 Questionnaires

- Step 9 – Select the next questionnaire, **Tier 2 Indirect (Quarterly)** for Indirect Spend Submissions

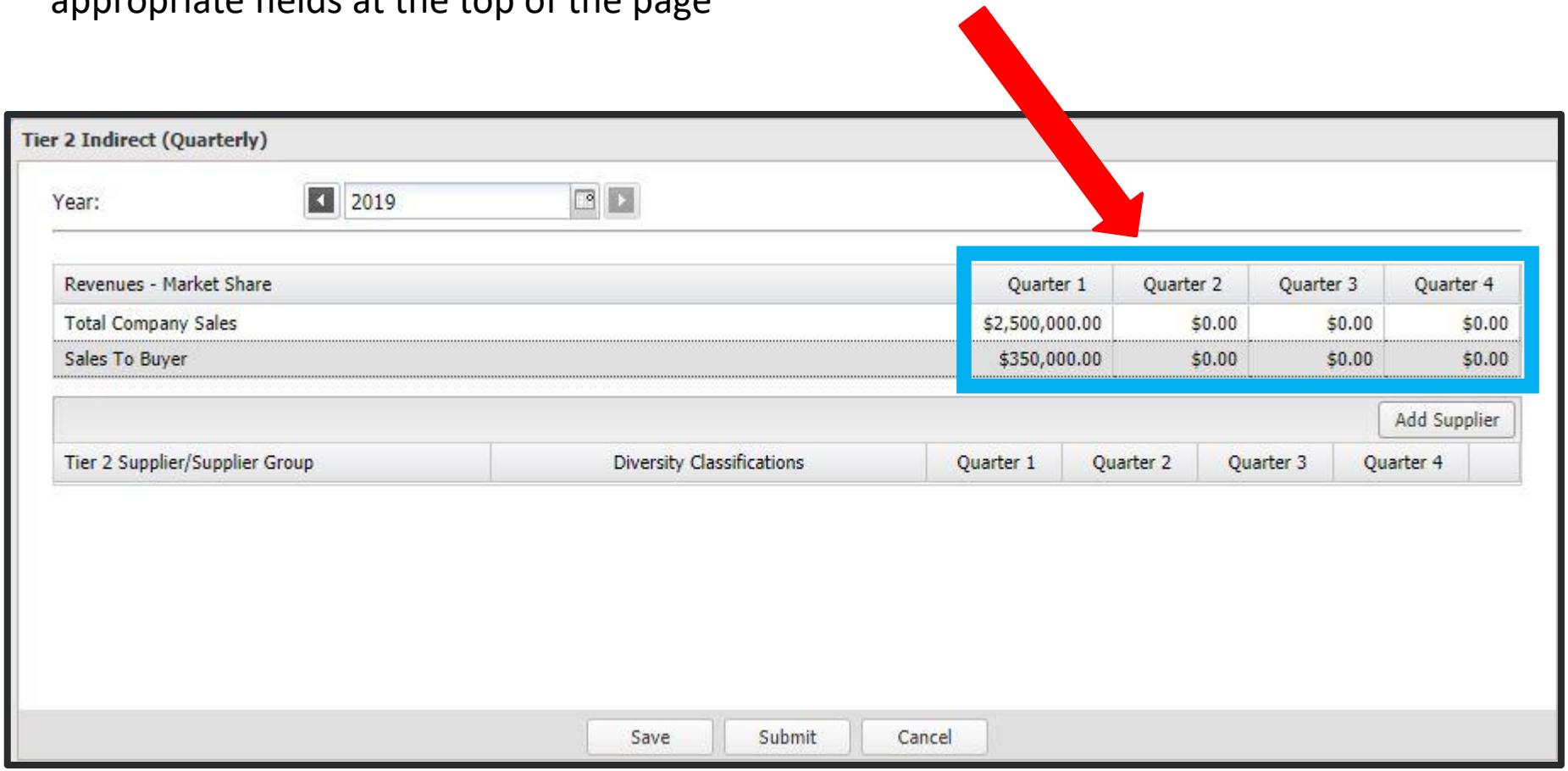


Indirect Spend – Total spend contracted by the Prime Supplier to all of its Tier II diverse subcontractors. This amount is prorated based on a Prime Supplier's sales and/or percentage of the Prime's total revenue associated with AEP.

Indirect Tier 2 Questionnaire

Displays All Tier 2 Questionnaires

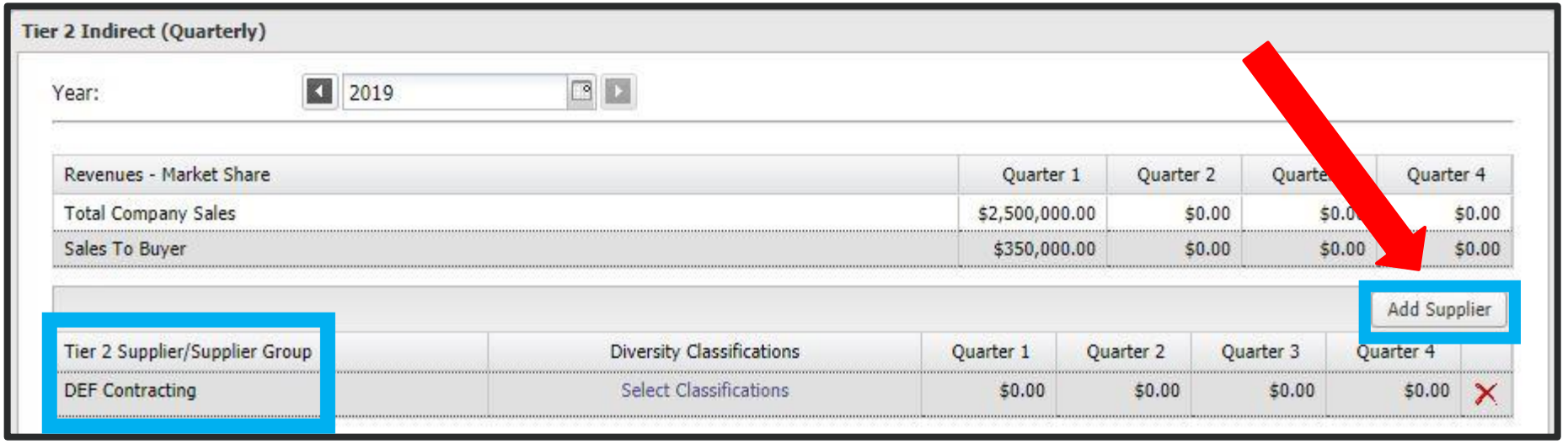
- Step 10 – Enter your **Total Sales** by quarter and total **Sales to Buyer** by quarter in the appropriate fields at the top of the page



Indirect Tier 2 Questionnaire

Displays Fields for Prime Suppliers

- Step 11 – Enter either a Tier 2 Supplier or Supplier Group (to report an aggregate number for <u>one classification type</u>) in the first row of the "Tier 2 Supplier" field by selecting the "Add Supplier" button.
  - If you submitted Tier II information to AEP previously via PowerAdvocate, then the Tier 2 Supplier and diversity classifications will populate
    - To remove previous suppliers, click the red "X" to remove the entire row
    - To add new suppliers, select "Add Supplier" to create new rows



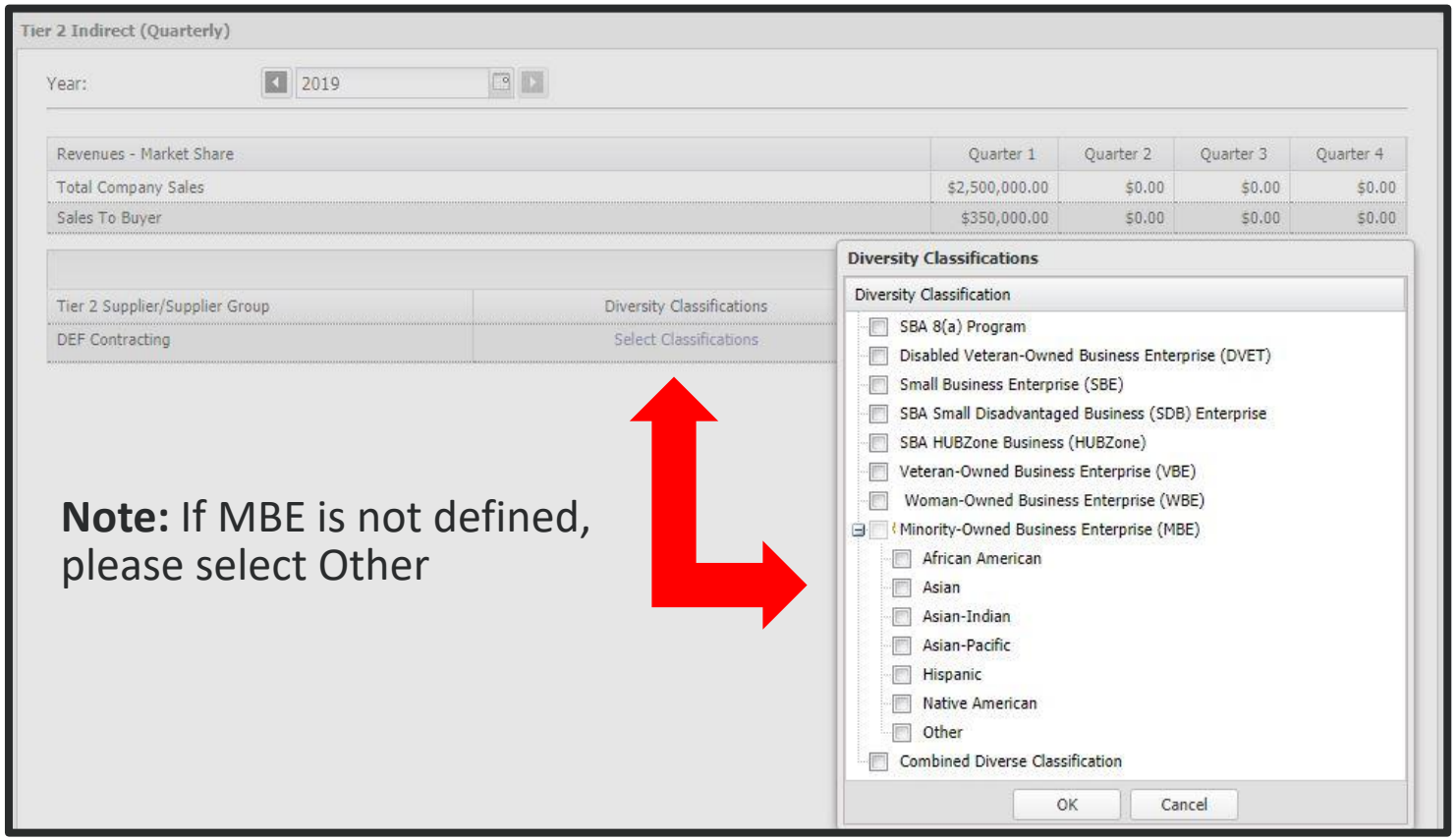
Note: If your company does not collect details of "Tier 2 Supplier" names, please report by designation (e.g. MBE), using a separate row for each classifications or instead use the Combined Diversity Classification

Indirect Tier 2 Questionnaire

Displays Fields for Prime Suppliers

- Step 12: Select the classification(s) for each diverse subcontractor by choosing **Select Classifications** and checking off one or more designations in the pop-up view
  - --- Or the classification for your previously entered Supplier Group by choosing **Select Classifications** and checking off <u>only one designation</u>

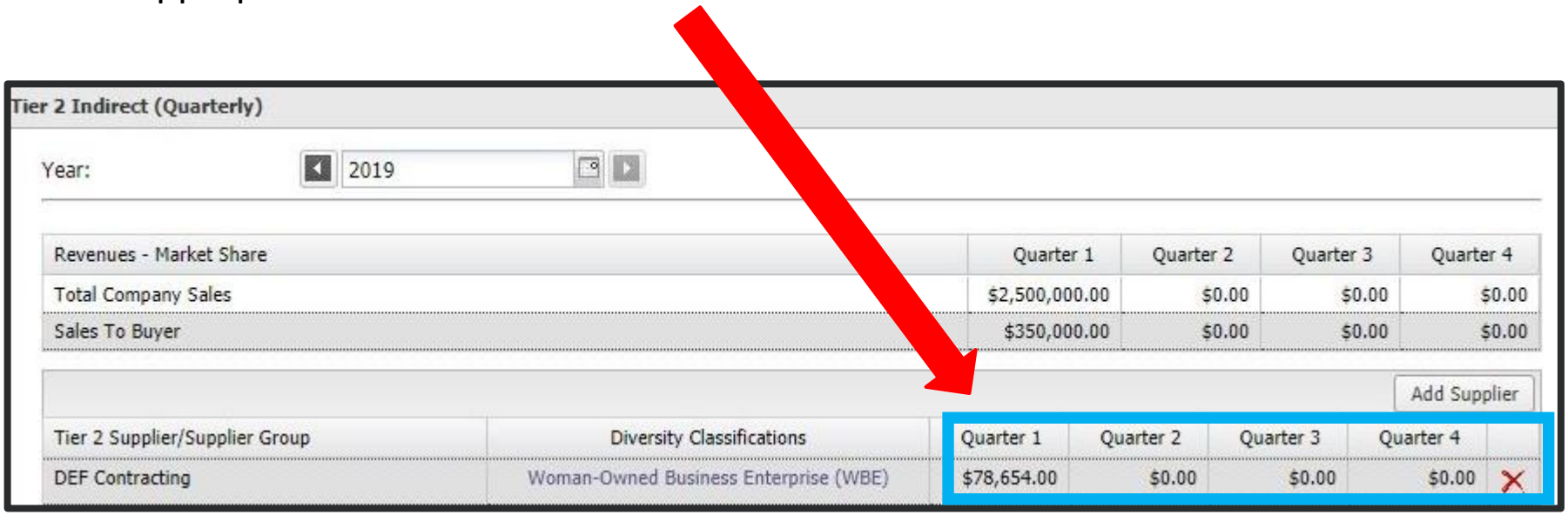
Reminder: Diversity Classifications will pre-load from your previous submission. Please modify if the information has changed. If your company does not track diversity classifications (SBA, SBE, DVET, etc) separately, you can use the Combined Diversity Classification instead



Indirect Tier 2 Questionnaire

Displays Fields for Prime Suppliers

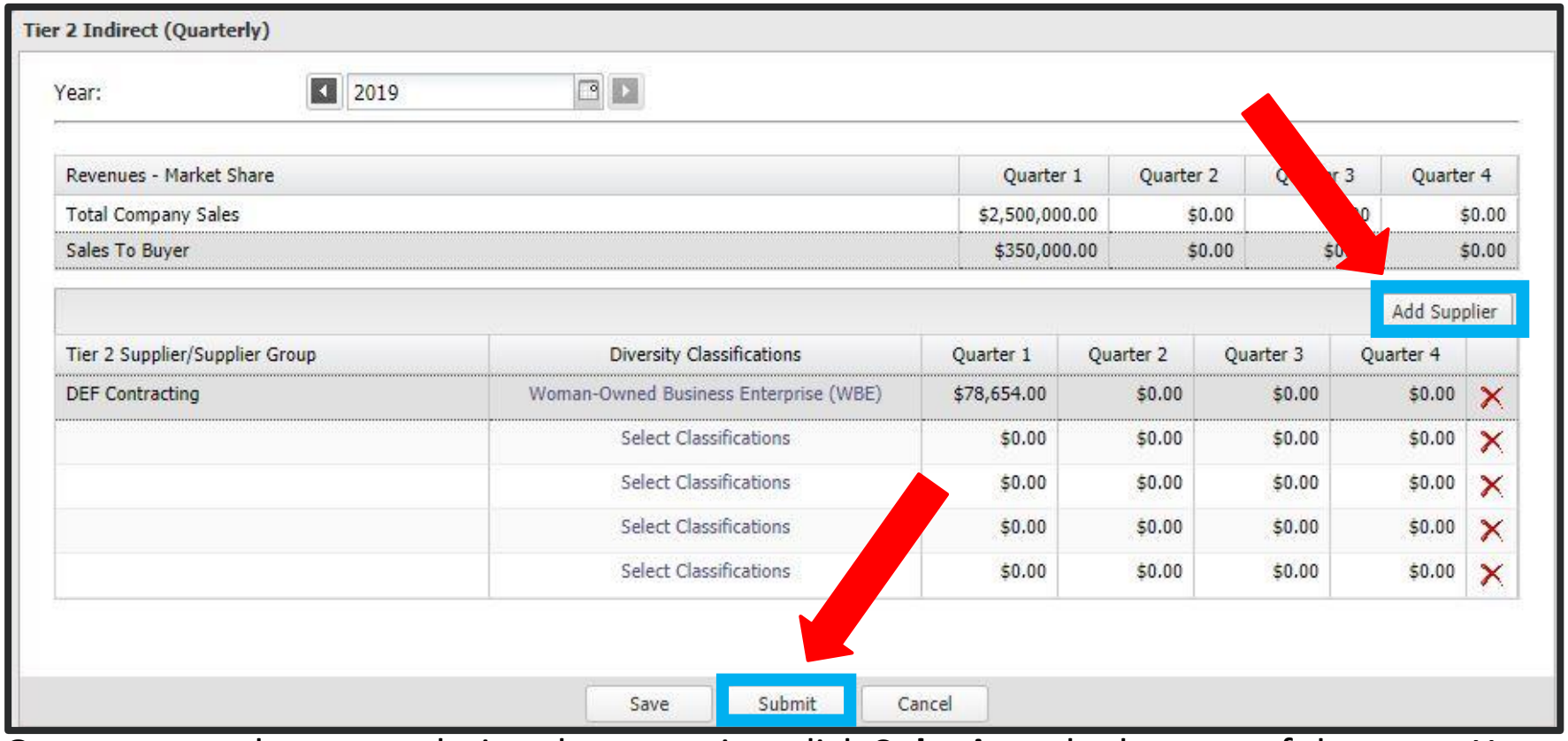
- Step 13 – Enter the spend conducted with each Tier 2 Supplier/Supplier Group by quarter in the appropriate columns



Indirect Tier 2 Questionnaire

Display Fields for Prime Suppliers

- Step 14 – Click the **Add Supplier** button to add additional blank rows to the form for reporting multiple indirect suppliers/supplier groups



- Once you are done completing these entries, click **Submit** at the bottom of the page. Your responses have been submitted if you are returned to the *Fill Out Questionnaires* tab.

Definitions

Tier II Reporting Uses Specific Terminology

- **Prime Supplier** – A Tier 1 Supplier that provides products/services and invoices to AEP for goods and services rendered directly by that supplier.

- **Tier II Supplier** – A subcontractor that provides products/services and invoices to the Prime Supplier for goods and services that directly support the fulfillment of an AEP contract.

- **Direct Spend** – Spend contracted by the Prime Supplier with Tier II diverse subcontractors for goods and services that directly support the fulfillment of an AEP contract.

- **Indirect Spend** – Total spend contracted by the Prime Supplier to all of its Tier II diverse subcontractors. This amount is prorated based on a Prime Supplier's sales and/or percentage of the Prime's total revenue associated with AEP.

- **DUNS Number** – The **D**ata **U**niversal **N**umbering **S**ystem is a proprietary system that assigns a unique numeric identifier, referred to as a "DUNS number" to a single business entity.

Diversity Classifications

- **Combined Diverse Classification –** If your company does not collect individual diversity classifications for each of your diverse subcontractors, please select *Combined Diverse Classification*

- **Disabled Veteran-Owned Business Enterprise (DVET)** – a business owned by a veteran or veterans that were disabled during war

- **Minority-Owned Business Enterprise (MBE**) – an enterprise that is at least 51% owned by one or more minority groups, and whose management and daily business operations are controlled by one or more of those individuals. Minority owned business include African Americans, Hispanic Americans, Native Americans, Asian Pacific Americans and Asian Sub-Continent Americans.

- **SBA 8(a) Business** – a small business unconditionally owned and controlled by one or more socially and economically disadvantaged citizens of the United States, and demonstrates potential for success.

- **SBA HUBZone Business (HUBZone)** – a firm certified by the SBA that is a small business located in a "historically underutilized business zone" owned and controlled by one or more U.S. citizens, and that has at least 31% of its employees residing in a HUBZone

Diversity Classifications (Continued)

- **SBA Small Disadvantaged Business Enterprise (SDB)** – a for-profit enterprise presently located in the U.S. or its trust territories that is at least 51% owned, controlled, operated and managed by a socially and economically disadvantaged individual(s) who must have a net worth of less than $750,000, excluding the equity of the business and primary residence and must meet applicable size standards for small businesses in their industry

- **Small Business Enterprise (SBE)** -- a business independently owned and operated that is not dominant in the field of operation in which is competing. In connection with subcontracts exceeding $10,000, its number of employees or average annual receipts, including its affiliates, must not exceed the size standard under Federal Acquisition Regulation section 19. 102 for the product or service it is providing on the subcontract

- **Veteran Owned Business (VBE)** – a business owned by a veteran or veteran(s)

- **Woman-Owned Business Enterprise (WBE**) – a business enterprise that is at least 51% owned by one or more women, and whose management and daily business operations are controlled by one or more of the individuals

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For Questions about reporting, DUNS numbers, and definitions, contact:

AEP Supplier Diversity Team

Email: SUPPLIERDIVERSITY@AEP.COM
Phone: 614-716-3963

For Technical Assistance, contact:

PowerAdvocate Support Team

Available 8AM-8PM EST, Monday-Friday
Email: Support@poweradvocate.com
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