

National Grid headquarters—New England

nationalgrid

Electric utility weighs in with MWBEs

By Nadine Bartholomew

Carla Hunter Ramsey

Getting on the Grid

National Grid USA, headquartered in Waltham, Massachusetts, delivers electricity to more than 3.3 million customers in Massachusetts, New Hampshire, New York, and Rhode Island. The company transmits electricity across nearly 9,000 miles of high-voltage lines in New England and New York. National Grid is also the region's largest distributor of natural gas with more than 3.4 million customers.

One of the top utility companies in the U.S., National Grid launched its supplier diversity program in 2009 and has since significantly increased the number of diverse suppliers it works with from approximately 550 to more than 2,600 throughout its U.S. operations.

"By fostering partnerships with minority, women, disadvantaged, veteran, and small businesses, we are able to boost innovation and explore new ideas for our business, while positively affecting the economic development in the communities where we work, live, and interact," says **Carla Hunter Ramsey**, director of supplier diversity.

According to Hunter Ramsey, National Grid spends more than \$700 million annually on products and services purchased directly from minority and woman-owned business enterprises (MWBEs) and disadvantaged business enterprises (DBEs). "We have worked to integrate supplier diversity into our strategic sourcing process, including sourcing managed by National Grid on behalf of the Long Island Power Authority." The company's goal is to

spend 20 percent of its annual procurement budget with MWBE suppliers, and 40 percent of its annual procurement budget with diverse suppliers by 2015. Toward that goal, National Grid invests in suppliers in numerous ways through its Tier 1 and Tier 2 diversity initiatives.

Professional development is a big focus. For example, the company partnered with the New York City Department of Small Business Services and eleven other corporate leaders to create the Corporate Alliance Program/Columbia University Construction Mentorship Program (CAP/CU). CAP/CU offers business coaching and connects certified MWBEs with contracting and capacity-building opportunities in the private sector. **John J. Kavanaugh**, director of global procurement for National Grid, serves as a

mentor in the program and champions National Grid's participation throughout the company.

"John mentors these suppliers, teaching them how to expand and or improve their business capabilities, and he encourages them to take advantage of additional opportunities within National Grid and other private sector companies," said Hunter Ramsey.

In 2010, National Grid developed internal sourcing guidelines for all contracts valued at more than \$100,000. There are seven steps involved, including: project set up, develop category profile, develop



Kavanaugh

Getting on the Grid *(continued)*

category strategy, develop supplier portfolio, select implementation path, competitive and non-competitive approach, and implement and manage category.

The “seven-step strategic sourcing method” is underpinned by the company’s 20 percent procurement goal.

Arthur J. Curran, director of the substation and over-head-line category for National



Curran

Grid, requires his buyers to discuss the work they are doing with the supplier diversity office during monthly department meetings. “National Grid develops these partnerships to support the communities we serve,” says Curran. “We work in

GoTToGo Electric, Inc., in LeRoy, New York, is a woman-owned business enterprise (WBE) that has benefited from National Grid’s commitment to supplier diversity. Established in 1990, GoTToGo Electric, co-founded by sisters **Kristin Gomborone** and **Gabrielle Keister**, distributes electrical equipment, including transformers, switchgear, cables, and other hardware from a select group of electrical manufacturers. Gottogo won its first contract with National Grid in the early 1990s.

“National Grid has been very good to us,” says Gomborone. “Our original contract was valued at \$600,000. Today our contracts with National Grid are well into the millions of dollars. Carla Hunter Ramsey looks after us and we respond by offering National Grid excellent prices, excellent products, and excellent customer service,” she adds.

Under the current contract, GoT-

The sisters are no strangers to the electric power transmission and distribution industry. Their father, James Gomborone, is president and owner of HasGo Power Equipment Sales, Inc., also based in LeRoy. “My father is well respected in the industry and helped us get started,” says



Gomborone

Gomborone. “However, it was still very difficult to build business relationships and make sales calls in this male-driven [environment].” She continues, “Working with National Grid’s supplier diversity program helped us to get the experience and exposure we needed to grow our business. That first contract has led to many more. We applaud National Grid’s commitment to supplier diversity.” ♦

Who’s Got the Power?

Electricity can be generated through a wide variety of processes—coal-fired, nuclear, water, and wind power. Power typically flows from a generator along the transmission grid to a substation where it is transformed, or stepped down, to a lower voltage for distribution to homes and businesses. Generating electricity has been the primary function of electric utilities since their creation. The combination of generation and transmission network is referred to as a power grid or power system.

With combined annual revenue of about \$465 billion, the U.S. electric power transmission and distribution industry includes about 1,200 companies that operate electric power transmission systems and/or control the transmission of electricity from the generating source to distribution centers or other electric utilities. The industry is highly concentrated. The 50 largest companies account for more than 80 percent of revenue. Major companies include American Electric Power, Exelon, Pacific Gas & Electric, Southern Company, and National Grid, whose UK-based parent company has revenues of more than \$22.13 billion, making it one of the top global utility companies.

these communities. We live in these communities. And we do business with the people who live in these communities. Supplier diversity is an integral part of everything we do,” he adds.

ToGo Electric supplies underground cables and decorative street lighting to National Grid. Going forward, the WBE would also like to supply more specialized, high-ticket items such as transformers and switchgear.

Nadine Bartholomew has over 12 years of experience developing, promoting, and facilitating corporate engagement in cutting edge issues, including seafood sustainability, environmental stewardship, health and wellness, supplier diversity, and community relations. Prior to forming the grassroots non-profit organization “The Good Foodie,” she was the manager of business outreach and development for Seafood Choices Alliance.



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