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Underground route not precise for supplier

Minority firm falters in diversity bid at We Energies

The Business Journal of Milwaukee - by [Pete Millard](#)

When Charles Goins heard We Energies was accepting bids for locating underground pipes and wires, he thought his company was well qualified to attain a small contract with the state's largest energy company.

Goins, president and chief executive officer of minority-owned Precise Underground Marking Corp., Milwaukee, entered the bidding process knowing his firm could never compete with the national firms for the full contract. He hoped to get a small percentage of the overall contract and to work as a subcontractor for one of the national firms.

Nevertheless, Precise Underground was never seriously considered as a vendor, said Goins. The We Energies' \$12 million a year locating contract was awarded Sept. 23 to two national firms -- UtiliQuest Corp., Atlanta; and SM&P Utility Resources Inc., Carmel, Ind.

"They said we were too small and lacked experience, and they feared being liable for jobs if we were to fold," said Goins, who is also a full-time firefighter for the city of Milwaukee.

We Energies' bidding policy does not allow it to split off a piece of a large contract, said a company spokeswoman. The company would not discuss the details of the contract Goins sought.

Nevertheless, Jerry Fulmer, director of supplier diversity for Wisconsin Energy Corp., the parent corporation of We Energies, did say We Energies evaluators deemed Precise Underground too small to handle any of the locating work. Precise Underground underwent a review process along with half a dozen other competing firms.

The We Energies policy is not conducive to developing minority business enterprises and runs counter to what many corporations are doing nationally, said Goins.

An increasing number of large corporations require well-established vendors or contractors to develop alliances with minority-owned businesses to help the minority firms get experience and grow, said Amy Batiste, director of the University of Wisconsin-Milwaukee Center for Work Place Diversity. She is the former diversity officer for Saturn Corp., a Spring Hill, Tenn., division of General Motors Corp.

"At Saturn, we would require a small percentage of some contracts to go toward developing a minority business enterprise," Batiste said.

Developmental stage

Goins thinks We Energies' diversity programs are less developed than other utilities in the Midwest. He's hopeful Fulmer can reverse the trend.

Fulmer joined Wisconsin Energy in June 2002 after working as a diversity specialist for 22 years at utilities in upstate New York and North Carolina. Fulmer is creating new programs to improve We Energies' supplier diversity network.

Fulmer has received numerous awards for his efforts to diversify the We Energies supplier list. In September, he was named the Governor's 2003 Supplier Diversity Executive of the Year. He also received the Wisconsin Supplier Development Council's Vision Award last March for programs he set up at We Energies.

Fulmer said Wisconsin Energy has had success hiring qualified minority-owned firms to complete projects.

The utility recently awarded contracts to two African-American-owned constructions -- Platt Construction Inc., Franklin, and Central City Construction, Milwaukee. The utility also has contracts with Barrientos Design & Consulting, a Hispanic-owned firm based in Milwaukee.

Fulmer has instituted a series of "awareness meetings" with We Energies managers to educate them about doing business with minority and women vendors. He is also working with the Hispanic, African-American and American Indian chambers of commerce and the Wisconsin Women's Business Initiative Corp. to encourage more minority firms to seek contracts with the utility.

Experienced staff

Goins disputes the We Energies' claim that his company doesn't have the experience to win a portion of the underground locating bid. While it's true Precise Underground has not been involved in locating high-pressure natural gas lines or high-voltage electric lines, Goins said his experienced staff could easily be trained to do the work.

"The fundamentals of locating utilities is the same whether it is gas, electric, telephone, cable or water," said Goins.

Precise Underground, a 10-year-old firm with 13 employees and annual revenue of \$600,000, has worked for Time Warner Cable since 1995. The company completed 46,000 locating jobs last year for the cable company and DOT.

"We are satisfied customers of Precise Underground," said Bev Greenberg, a vice president for Time Warner Cable in Milwaukee.

In addition, Goins' company is working for the Wisconsin Department of Transportation. Goins has a contract to locate fiber-optic lines and power system lines along the Marquette Interchange when DOT begins the reconstruction of the interchange in spring 2004.

Under the new We Energies contract, UtiliQuest will handle an estimated 500,000 locating jobs per year in southeastern Wisconsin and SM&P will be responsible for about 200,000 locating jobs in the Fox Valley and other locations in northern Wisconsin.

"If the utility were to give us 20,000 or even 15,000 jobs, it doesn't hurt anyone and really gives us a boost," said Goins.