

City Contracting Equity 2015 Report

Department of Finance and Administrative Services
City Purchasing & Contracting Services
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Contract Equity Programs

- Women and Minority Business Enterprise program (WMBE)
- Workforce labor equity in City construction contracts (Priority Hire)

Mayor Murray's Executive Order and Updates

- April 8, 2014: Mayor Murray signed Executive Order
- February 2015: Special Assistant on WMBE Programs
 - Executive oversight and accountability for City departments
- Strengthened WMBE Inclusion Plans for subcontracting
- Prompt Pay enforcement
- WMBE metric on Performance Seattle website
- Review of departments' annual WMBE goals and plans
- WMBE Advisory Committee
 - Policy recommendations and advice
- Exploration of technical assistance funding

Background:

Procurement categories

	2014 annual total spend
Purchasing	\$300 million
Consultants	\$150 million
Public Works	\$150 million

- FAS responsibilities:
 - Rules, policies, boilerplates, bid process, awards, contract signature, social equity, enforcement, terminations, debarment.
- Client department responsibilities:
 - Consultant decisions, solicitations and awards.

WMBE responsibilities

- **FAS, SMC 20.42:**
 - Central role to administer, develop policy, implement, enforce, track, report.
- **All departments:**
 - Unbundling and strategic sourcing, assure open-access standards (e.g., furniture), utilization and enforcement.
- **Mayor's Office:**
 - City oversight, department accountability, policy leadership.
- **City Attorney:**
 - Advice and counsel.

The backdrop - Initiative 200

City principles have promoted unique accomplishment:

- Mayor and City Council priority.
- The City has retained a WMBE priority, not small business.
- Risk management rather than risk aversion.
- A legal right to demand “good faith efforts” within I-200.

Agency	Procurement spend
University of Washington	1.0%
State of Washington	1.02%
King County	Not reported

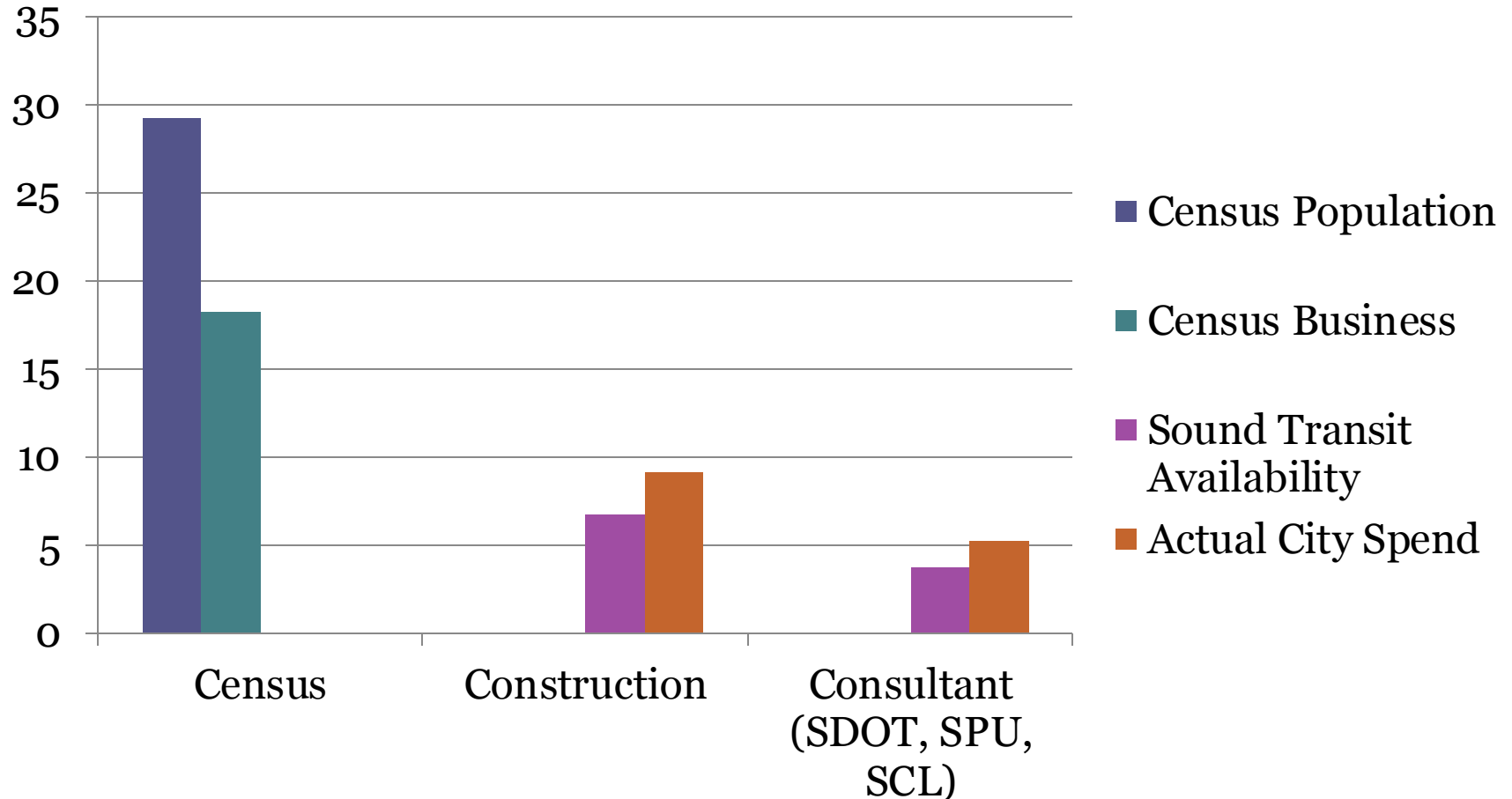
Note: City includes self-identified firms, 50% are also state-certified. Other agencies count only state-certified or focus on all small businesses. FAS audit verified a 99% accuracy of self-identification.

Summary of 2015 WMBE utilization rates, by percentage of total dollars spent

- Public works: 17%
- Consultant: 13%
- Purchasing: 13%
- Consultant Roster: 41%
- Consultant competitions: 10%

Minority-owned businesses

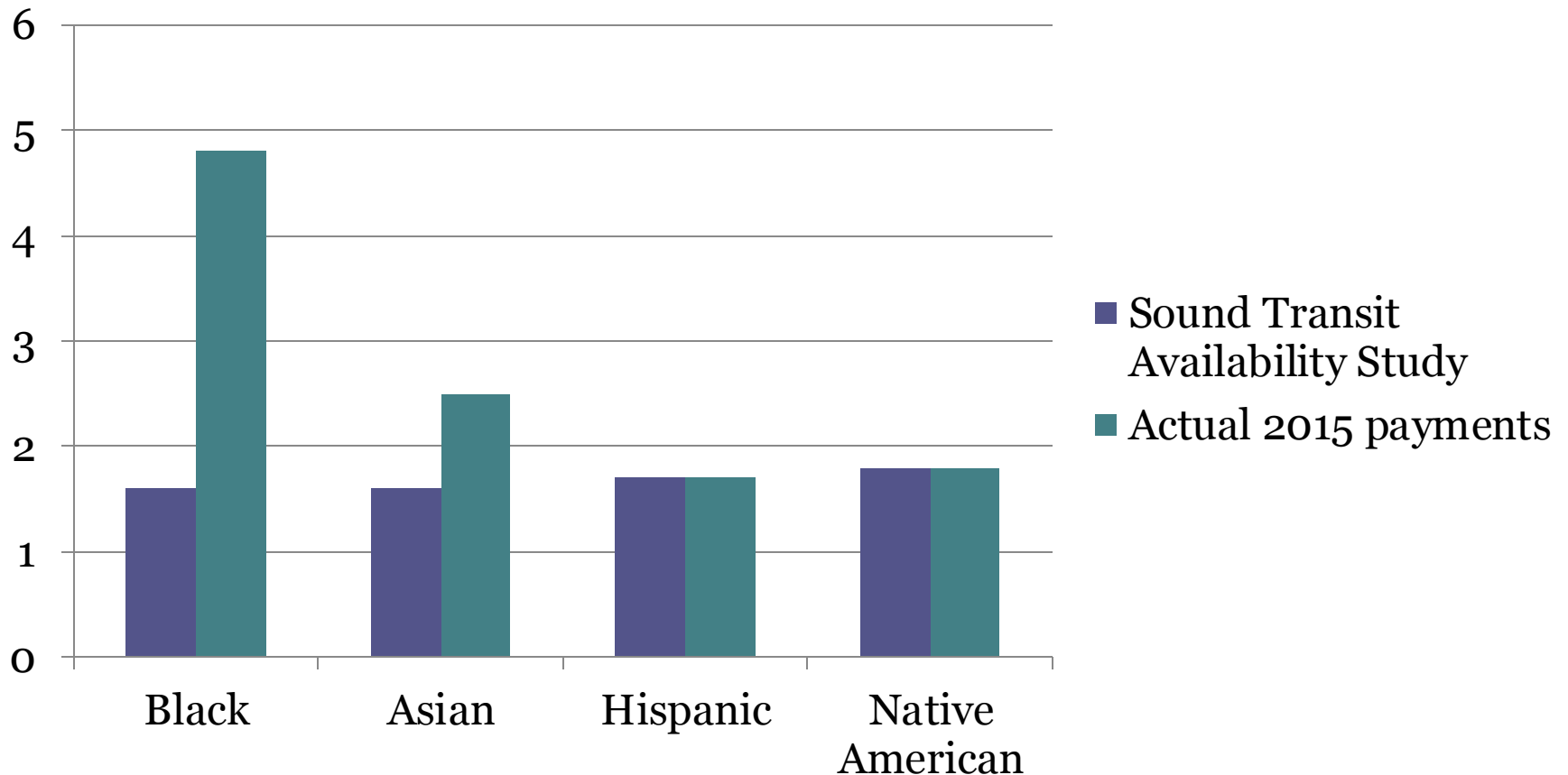
Availability measures compared to City 2015 utilization



By Race: Construction

Capital departments (SDOT, SPU, SCL)

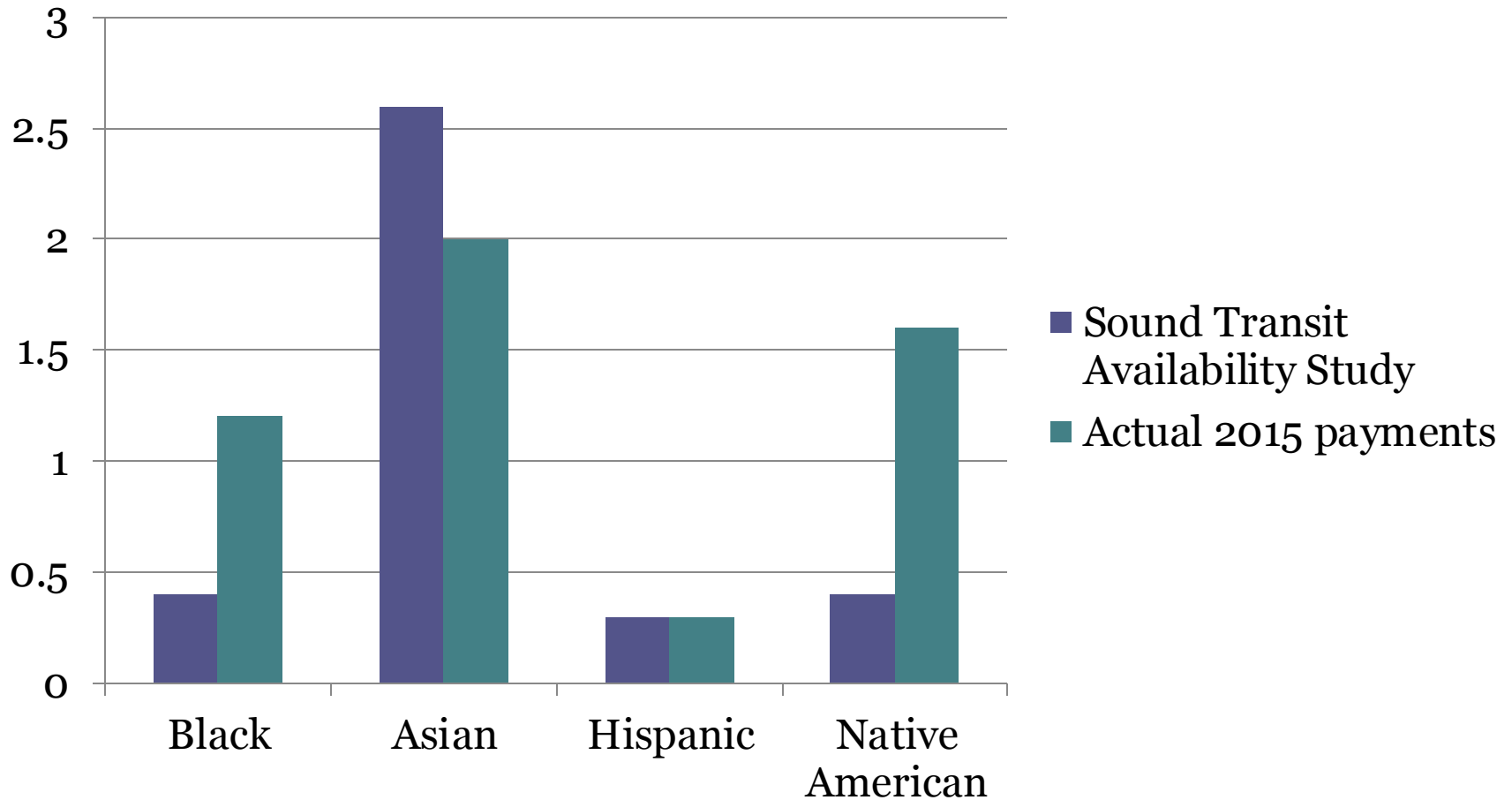
Availability measures compared to utilization



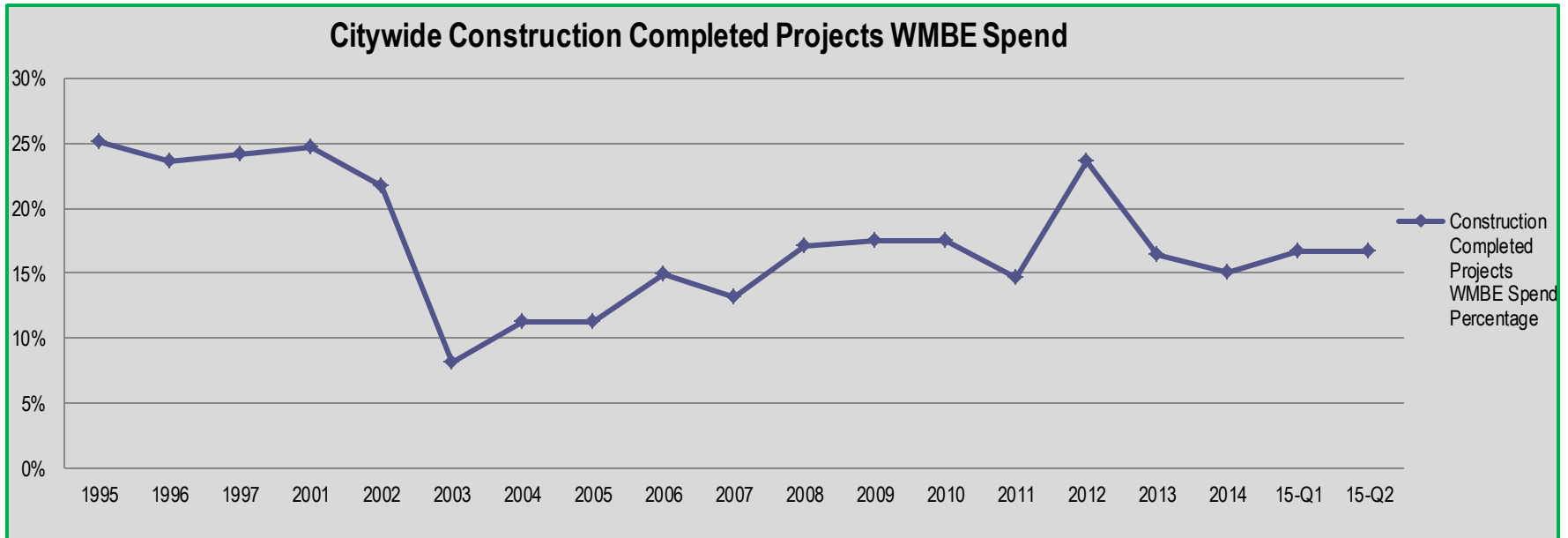
By Race: Consultants

Capital departments (SDOT, SPU, SCL)

Availability measures compared to utilization

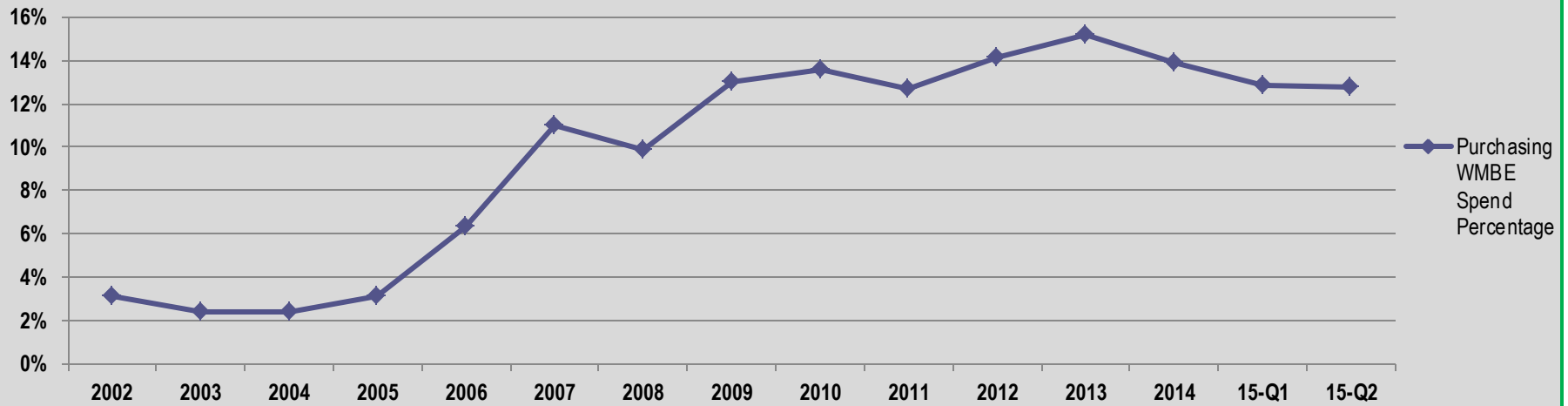


Public Works: Historical WMBE spend

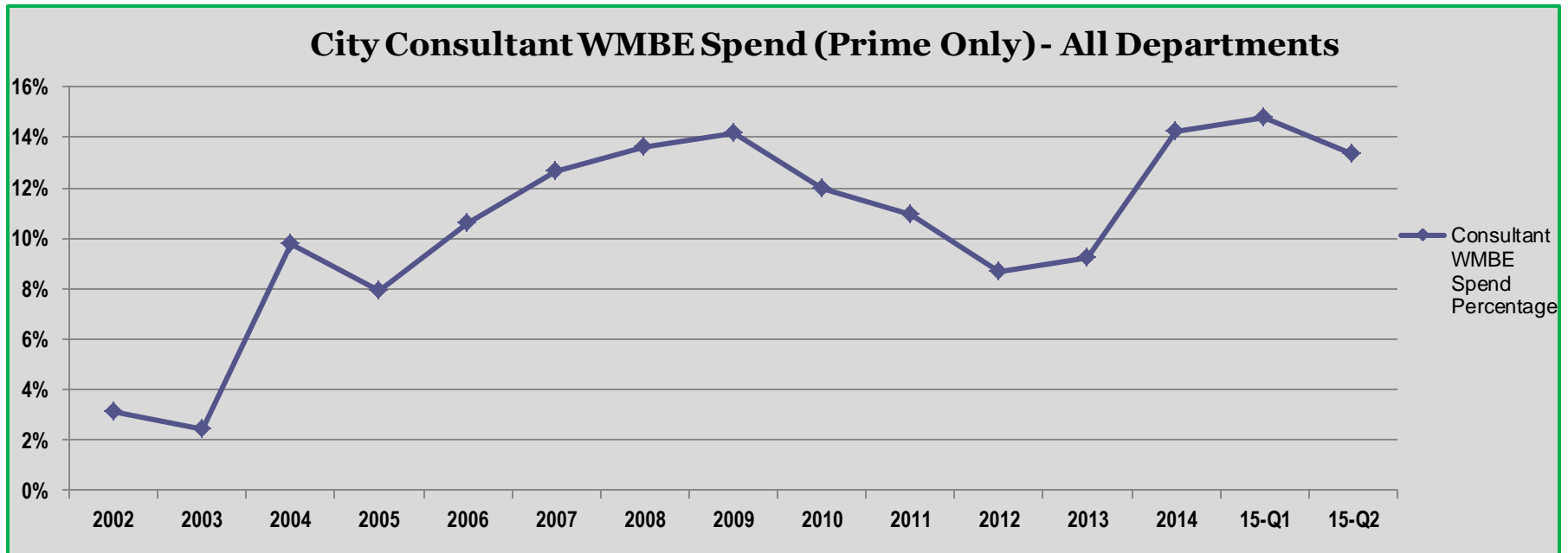


Purchasing: Historical WMBE spend

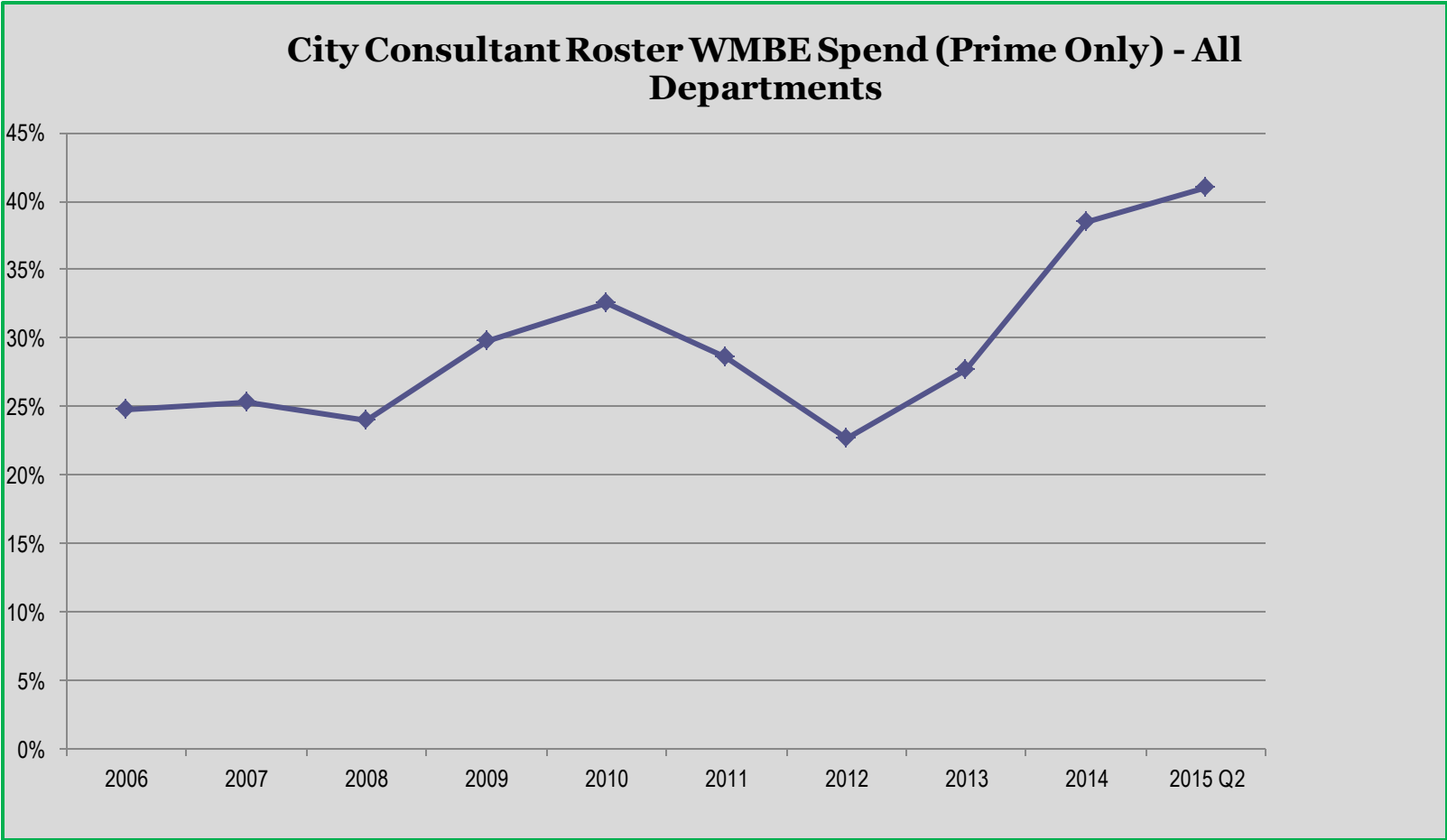
City Purchasing WMBE Spend (Prime Only) All Departments



Consultants: Historical WMBE spend



Consultant Roster: Historical WMBE spend



Note: This graph does not include 2015 data.

Continuing success: Ensuring a welcome, respectful business environment

- Improving cash flow:
 - Prompt Pay: 30 day pay.
 - Early retainage release.
 - Pre-mobilization pay.
 - Survey results: 100% reported as significant.
- Interactive assistance to businesses:
 - Dispute resolution.
 - Connecting businesses to City opportunities:
 - Reverse Trade Show.
 - One-on-one assistance.

City Prompt Pay for prime contractors

- Public Works – all within 20 days.
- Consultants – at least 70% within 30 days.
- New accountability, tracking, reporting.

Workforce Labor Equity: Priority Hire

- January 2015: Mayor Murray signed ordinance 124690.
- April 2015: Master community workforce agreement (CWA) with labor negotiated, signed and implemented.
 - All projects at/above \$5 million.
 - PLA/CWA seeks diversity and disadvantaged local workers (based on zip codes).
- Summer 2015: First project under the CWA began: SPU Buried Reservoir project.

Priority Hire: Look ahead

- Advisory Committee is regularly meeting and has made valuable recommendations.
- Upcoming CWA projects:

Dept.	Project Name	Estimate	Location
Seattle City Light	Denny Substation	\$50 million	Denny Way in the Cascade area of Seattle's South Lake Union neighborhood and transmission line connection to SODO
	Denny Network	\$60 million	Separate Denny-East Pine; Denny-Broad Street; Denny-Massachusetts (may or may not be split into two contracts)
Parks and Recreation	Washington Arboretum Trail	\$5 million	Washington Park Arboretum

Priority Hire: Promising results

Seawall	Past performance	Seawall performance
People of color	25%	25.2%
Women	5%	13.2%
Economically distressed	12%	21.3%
Seattle residents	6%	12%

Questions?

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