

Mayor McGinn announces first results of new Inclusion Plan for city contracts

*66% of work to build new Rainier Beach Community Center
is slated for women and minority contractors*

SEATTLE – Mayor Mike McGinn today announced that a new program that seeks to increase opportunities for women and minority businesses to participate in large city construction projects appears to be working.

“Our new efforts to seek inclusion of women and minority businesses are paying off in Seattle on an important community project – Rainier Beach Community Center,” said McGinn. “Sixty-six percent of the work to build the new community center is scheduled for women and minority contractors. And we’re seeing increased participation by these firms in other recently submitted bids. This is good news for traditionally underrepresented businesses and for jobs in Seattle.”

And, McGinn notes, these efforts are paying off in more ways than one. “First, for two of these projects, the low bidders brought the highest WMBE goals. On all three, our winning bids were well below the engineer’s estimate,” he said. “This tells us including WMBE firms increases the competition and helps achieve a more competitive bid. Second, these projects all have apprenticeship requirements, which provide skilled jobs with livable wages.”

The six original bids received this summer for the Rainier Beach Community Center redevelopment project were rejected because most of the six bids simply did not show responsive efforts in their inclusion plans. When the project was rebid under the new Public Works Inclusion Plan program, the results were markedly different:

Rainier Beach Community Center Redevelopment Project		
	Original Bid	Rebid
Low Bid Amount	\$14.7 million	\$14.8 million
Number of bids	6	8
Women & Minority Business Participation in dollars	\$0	\$9.9 million
Women & Minority Business Participation as a percentage of the project	0%	66%

State law requires the responsive and responsible low bidder be awarded a construction contract. In the case of the rebids for this project, every bidder was responsive to the Public Works Inclusion Plan requirements. The lowest responsible bidder was also the bidder with the highest WMBE utilization. The WMBE percentages for the remaining bidders were: 57 percent, 35 percent, 28 percent, 26 percent, 20 percent and 17 percent.

“The WMBE Inclusion Plan helped me meet many new, competitive subcontractors that I hadn’t worked with before, and increased the competition for my subcontract bids,” noted John Vigor, president of JV Constructors, whose bid included a 57 percent WMBE goal.

In addition, two other bids for Seattle City Light projects also saw an increase in participation by women and minority firms:

- The low bidder on the first project – the Central Waterfront Transmission Line Relocation Project – was MidMountain Contractors, with women and minority firms slated to perform \$598,552 of the work on this \$7.1 million bid. This represents 8.5 percent of the work on this project, more than double the three-year average of past transmission line projects (4 percent). MidMountain Contractors was both the lowest bidder and the bidder with the highest WMBE inclusion. Further MidMountain's was the only bid below the engineer's estimate – almost 25 percent below.
- The second project is the Gorge Inn Renovation (the building is used as a cookhouse for Skagit Tours and for staff assigned to the site). The lowest bidder did not provide a responsive plan; the next low bid was well below the engineer's estimate and also had very high WMBE utilization. Women and minority firms are slated to perform \$702,000 (or 39 percent) of the work on this \$1.7 million bid. Construction projects at this remote location over the past three years have rarely included any women and minority businesses.

Although the focus of the WMBE Inclusion Plan is on equitable business opportunity, each of these projects brings new jobs. The WMBE Inclusion Plan drives prime contractors to seek businesses that bring local workers to the table. These projects each carry high apprenticeship goals that are mandatory to the contract, to ensure the contractor and all subcontractors deliver high-quality, living wage jobs through apprenticeship requirements.

The new Public Works Inclusion Plan program, unveiled Aug. 24, 2011, requires every bidder for large construction projects (above \$300,000) to submit an "Inclusion Plan" which documents their good-faith efforts to include women and minority firms. These plans must meet a basic responsiveness standard as part of the bid. If these plans do not pass the responsiveness standard the City has established, the bids will not be considered further.

"When I announced this new program in August, I said the city of Seattle is committed to ensuring everyone in the community has equal access to jobs and opportunities," said Mayor Mike McGinn. "Based on the bids that have been coming in, prime contractors understand their responsibilities and our expectations. I'm looking forward to continued success in our outreach and inclusion efforts."

The process for determining responsiveness is carefully described within the Inclusion Plan form. The form and other materials regarding the new project are available online at <http://seattle.gov/html/business/construction.htm>

In recognition of the fragile recovery from the recession, Mayor McGinn issued an [Executive Order](#) in April 2010 requiring city of Seattle departments to increase contracting with, and purchasing from, women and minority-owned businesses by expanding outreach efforts, creating new opportunities, and establishing direct accountability. The intent was simple – to give Seattle's women and minority businesses a fair way to compete for city contracting and purchasing opportunities.

This Public Works Inclusion Plan program implements Seattle Municipal Code [20.42](#) and State Law (RCW [35.22.640](#)).