



City of Seattle
Department of Finance and Administrative Services

Date: March 15, 2013
To: Darryl Smith, Deputy Mayor
From:  Fred Podesta, Director, Finance and Administrative Services
Subject: WMBE: 2013 Annual City Goals and 2012 Recap

I am pleased to transmit the City of Seattle's Annual Women and Minority-owned Business Enterprise (WMBE) report for 2012 and details surrounding the City's WMBE program for 2013.

2012 WMBE Report

2012 Initiatives

- **WMBE Construction Inclusion Plan:** The WMBE Construction Inclusion Plan has proven to be very effective on City construction projects, resulting in almost 70% of WMBE work being guaranteed at the time of bid.
- **Worker Diversity:** In 2012, Mayor McGinn executed a Community Workforce Agreement (CWA) for the Elliott Bay Seawall construction project – the largest project in City history. The CWA established unprecedented goals for local, low-income, woman, and minority recruitment through all levels of the City's construction contracting processes.
- **Labor Equity Team:** The Mayor funded, and the City Council approved, the establishment of a new Labor Equity team in FAS's Purchasing and Contracting Services Division to provide expertise and compliance monitoring for labor issues and CWA implementation.
- **Construction Retreat and Classes:** In October 2012, FAS hosted a retreat with construction contractors to hear their ideas for improving worker diversity and WMBE utilization. The retreat helped inform priorities for 2013 initiatives as subcontractors and primes shared their thoughts on what they believed kept WMBEs from working on City contracts.

2012 WMBE Program

We are pleased to provide the following information regarding the City's performance with regard to meeting its 2012 WMBE goals:

- The City broke all previous records by directing a total of 14% of its purchasing dollars to woman and minority firms in 2012.
- While the City's aggregate expenditures with WMBE consultant firms increased in 2012, they remained below historical rates mainly due to the way Seattle Department of Transportation's (SDOT's) mega projects (e.g., the viaduct, seawall, etc) were bid in order to

compete in the international arena. In turn, SDOT very successfully focused on subconsultant recruitments, which is not well captured in traditional year-over-year reporting. Despite this anomaly, the City directed a very respectable 9% of its consultant dollars to WMBE firms.

- The City experienced its best performance to date by directing 24% of its construction dollars to WMBE primes and subs.
- Job Order Contracting (JOC) WMBE utilization continued to rise, averaging 66% for 2012.

Special recognition goes to the following departments for doing an outstanding job in directing their purchasing and contracting dollars toward WMBE firms:

- Department of Neighborhoods (89%)
- Human Services Department (65%)
- Library (41%)
- Police (41%)

2013 WMBE Program:

2013 Citywide Goals for Purchasing and Contracting: The Department of Finance and Administrative Services (FAS) has established Citywide goals for purchasing and consultant contracting as follows: (see Attachment 1, which reflects departments' individual goals):

Purchasing: New 2013 Citywide cumulative goals: 13%
Consultant: New 2013 Citywide cumulative goals: 10%

2013 WMBE Initiatives

- **Labor Equity:** FAS will launch the new Labor Equity Program to implement the Seawall CWA, and other policies and compliance enforcement actions having to do with labor wage payments and worker conditions on construction contracts. FAS will work with many local, state, and federal agencies, including South Seattle Jobs Coalition, Seattle Housing Authority, US Department of Labor, Stop Wage Theft, SAGE and other community groups, to develop relevant policies.
- **Consultant Plan:** FAS will revisit the WMBE consultant contracting plan to integrate new tools, such as responsiveness at time of submittal.
- **Disparity Study:** FAS awaits the release of WSDOT's 2013 disparity study to help the City better understand WMBE availability rates.
- **Subconsultant Spend:** For 2013, FAS tracked WMBE sub-consultant expenditures to encourage and provide data on WMBE inclusion at all levels of the City's contracting processes.

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- **CIP Show:** FAS will host a CIP project show, to alert WMBE firms and primes of future projects that may benefit from early partnerships.

In closing, we would like to thank Mayor McGinn for his vision, direction, and support of the City's WMBE program. If you have questions or would like additional information, please call FAS Purchasing and Contracting Services Director Nancy Locke at 206/684-8903.

Attachments:

1. 2012 Public Work Graphs
2. 2012 Purchasing and Consultant Graphs
3. 2012 Labor Diversity Graphs – Construction
4. 2012 Department Graphs
5. 2013 Annual Plans by Department

