2013 Annual WMBE Plan
Seattle Public Utilities (SPU)

Introduction

Seattle Public Utilities (SPU) provides high-quality drinking water, recycling, garbage pickup, sewer and stormwater drainage services that protect public health and promote city livability. Our purpose is to meet essential community needs while taking into account the triple bottom line of financial, environmental, and social costs. Our mission or core business:

> We provide reliable, efficient, and environmentally conscious utility services to enhance the quality of life and livability in all communities we serve.

SPU is responsible, as part of our service commitments to our customers, to provide equitable:

- Access to services
- Service delivery
- Access to contracting and procurement

One of our goals is to continue to work towards equitable women and minority-owned business (WMBE) participation in our purchasing, consulting, and construction contracts. This is also a component of Seattle Municipal Code (SMC) 20.42, Mayor's Executive Order 2010-05, and the City's Race and Social Justice Initiative.

The three major components of the 2013 SPU WMBE Plan are:

a. The Director of the Environmental Justice and Service Equity (EJSE) Division and Strategic Advisor for WMBE Coordination are the designated Department Representatives. The Strategic Advisor will serve as the primary attendee for Contracting Equity Interdepartmental Team (IDT) meetings and appropriate trade show events.

b. 2013 WMBE goal for prime consultants is 12.0% and purchasing is 17%.

c. Optional 2013 project-specific goals for consulting (over $260,000 with WMBE subconsulting inclusion opportunities):
   i. Architecture/engineering and design subconsultant work is 16.5% (weighted mean)
   ii. Customer Programs subconsultant work is 14.0% (weighted mean).

SPU Department Representative

The Director of the Environmental Justice and Service Equity (EJSE) Division and Strategic Advisor for WMBE Coordination will be responsible for SPU's WMBE initiatives. The Strategic Advisor for WMBE coordination, serving as the department representative, will:

- Guide implementation of SPU's WMBE initiatives and manage department progress
- Attend monthly Contracting Equity Interdepartmental Team (IDT) meetings hosted by the Department of Finance and Administrative Services (FAS)
- Share SPU's initiatives, efforts, strategies, and implementation results to the IDT or others as requested
- Attend the City of Seattle Annual Reverse Vendor Trade Show
- Attend 'Meet and Greet' events sponsored by SPU and City Purchasing and Contracting
- Attend the Regional Contracting Forum on April 2, 2013
- Attend and/or organize other Citywide WMBE related activities
- Lead EJSE's internal WMBE Team

The SPU Strategic Advisor for WMBE Coordination will also develop and implement other strategies and measurable activities appropriate to our department.

Aspirational WMBE Utilization Goals for SPU

Summary of SPU's 2012 aspirational WMBE goal attainment

Class of Contract	2012 Aspirational Goals	2012 WMBE Spend
Consulting	12%	7.93%
Purchasing	14%	15.60%

SPU had difficulty meeting the 2012 aspirational WMBE spending goal for consultants due to the following constraints:

a. Underperformance in WMBE utilization (3.88%) occurred in the Utility Systems Management Branch that accounted for 44.91% of the overall consulting expenditures.

b. Underperformance in WMBE utilization (1.40%) occurred in the Project Delivery Branch that accounted for 29.52% of the overall consulting expenditures.

c. Underperformance in WMBE utilization (11.59%) occurred in the Customer Service Branch that accounted for 9.18% of the overall consulting expenditures.

d. Goal-setting for 2012 consultant contracting in engineering and design work (about 75% of the consultant opportunities) did not take into account the large size of these contracts.

e. Over 85% of SPU's engineering and design consultant contracts (contracts exceeding $260,000) did not have any WMBE prime consultants compete despite extensive WMBE outreach and inclusion efforts.

f. The 2012 reporting system was not designed to allow counting of any WMBE subconsultants. The Department of Finance and Administrative Services (FAS) has completed its revisions to its reporting system to allow for subconsultant reporting for 2013. SPU will be setting goals and tracking this data effective 2013 through the reporting system for subconsultants on select architect/engineering and design project over $260,000 with significant WMBE inclusion opportunities and specific consultant contracts over $260,000 in Customer Service Branch, Customer Programs Division.

Even with these noted challenges, SPU had numerous successes in 2012, continuing in 2013:

a. Four out of seven SPU Branches exceeding both 2012 SPU aspirational WMBE goals. In 2011, only three of the seven SPU Branches exceeded both 2011 SPU aspirational WMBE goals. Of the three remaining branches, two exceeded the 2012 SPU aspirational WMBE purchasing goal.

b. Field Operations and Maintenance Branch exceeded both its branch goal of 10.0% and department goal of 14.0%for purchasing expenditures.

c. WMBE accountability agreements in the Project Delivery and Utility Systems Management Branches are pushed down to the Division Director level of the organization.

d. Continued recruitment of newly identified WMBE firms to City Consultant roster categories and City Vendor and Consultant Registration (VCR).

e. Division, Branch and utility-wide comparative WMBE data is provided monthly and in multiple formats.

Detailed strategies and actions to support SPU's aspirational WMBE goal attainment

SPU will primarily focus on the two Branches that spend the most on engineering and design consultant contracts, yet also historically struggle to meet WMBE aspirational goals. These Branches have also been asked to set branch specific aspirational WMBE utilization goals for 2013. These Branches with two additional Divisions will also track WMBE subconsultant utilization spend for 2013 for industry-specific projects that exceed $260,000 and provide significant WMBE inclusion opportunities. For greater detail see the section concerning Plans and Strategies below.

Proposed 2013 Aspirational WMBE Prime Utilization Goals by type for SPU

- Consulting: 12.0%
- Purchasing: 17%

Proposed 2013 Aspirational WMBE Subconsultant Utilization Goals by type and project for SPU

- Architecture/Engineering and Design Subconsulting: 16.5%
- Customer Programs Subconsulting: 14.0%

Outreach Events and Activities

SPU will strengthen relationships between SPU Project Managers, City Purchasers and other related staff with business communities, community associations, industry organizations, etc. The Strategic Advisor for WMBE coordination develops and maintains professional relationships with the above mentioned groups and ensures that SPU staff members participate in outreach events and activities through:

- Participating in various other Department-sponsored and SPU generated 'Meet and Greet' type forums and engagement of staff by connecting them with the relevant business communities.
    - Annual SPU Design Consultant Workshop for major engineering and design projects – February 26, 2013
    - Regional Contracting Forum - April 2, 2013
    - City and Tabor 100 sponsored Meet and Greet sessions with SPU staff responsible for that particular business area – throughout 2013.
    - City of Seattle Reverse Vendor Trade Show – late summer/early fall 2013
    - Northwest Minority Supplier Development Council's Annual WMBE Vendor Trade Show
    - Annual SPU Contractor Workshop for major construction projects – November 6, 2013
    - Meetings with prime consultants and contractors to share SPU core values and procurement expectations.
- Participating and maintaining relationships with local and ethnic chambers of commerce, WMBE business and business support organizations.
    - Tabor 100
    - Northwest Minority Supplier Development Council Board
    - National Association of Minority Contractors WA Chapter (NAMC-WA)
    - Washington State Office of Minority and Women's Business Enterprises (OMWBE) Ad Hoc Committee
    - Win with Washington

- Disseminating information gathered from events to appropriate SPU staff, conducting follow up, and evaluating the progress.

- Developing and utilizing an up-to-date contact list by business industry or category to notify communities of SPU business opportunities through email and regular mail.

- Adjusting/improving the time frame for notifying the business community of opportunities so there is a reasonable amount of time for applications to be completed.

- Submitting opportunity notices and articles in community business organization newsletters regarding upcoming projects that have consultant and purchasing opportunities.

- Continued support of pre-submittal bid and proposal events between potential prime contractors, consultants, and vendors, and subcontractors.

SPU Branch Specific Strategies and Objectives

SPU proposes aspirational WMBE spending goals in the Utility Systems Management and the Project Delivery Branches of the Utility. Combined, these two branches spend a majority of consultant dollars and have also historically struggled to meet WMBE aspirational goals. SPU also proposes setting aspirational WMBE goals for these two Branches in 2013. Both these branches will participate in monitoring specific projects for WMBE subconsultant spend for specific engineering and design projects.

SPU is adding Field Operations and Maintenance Branch, Planning and System Support Division, and Customer Service Branch, Customer Programs Division in 2013 for monitoring specific WMBE subconsulting spend.

Utility Systems Management Branch (USM)

USM Consulting: 9.0% aspirational WMBE spending goal for 2013

- In 2012 USM consultant spending comprised 44.91% of the overall utility spend in this category, of which 3.88% was contracted with WMBE firms. USM's 2013 aspirational branch goal remains 9.0%.
- USM will analyze spending data of available WMBE firms in the VCR and consultant roster categories as supplied by the Strategic Advisor for WMBE coordination.
- USM will require consultant and project managers to invite additional WMBEs on the appropriate roster category to submit proposals for consultant work over $260,000.
- USM will require prime consultants to report subcontracting spend on specific projects and USM will track this spend on all engineering and design consultant contracts with subconsultants.
- Our USM Branch Deputy will meet quarterly with USM Division Directors to identify areas in which WMBE's can be utilized, and set specific WMBE spending goals for each division.
- This WMBE consultant percentage goal will become part of the Division Director's performance contract.
- The existing list of opportunities for consulting spending will be reexamined, updated, and prioritized.

- In 2013, USM will support SPU's 16.5% subconsultant goal based on past performance and the percentage of available WMBE subconsultants that perform engineering and design work.

USM Purchasing: 10% aspirational WMBE spending goal for 2013

- In 2012, the USM branch's purchase spending comprised 33.04% of the overall utility spend in this category, of which 7.86% was with WMBE firms. USM's 2013 aspirational goal remains 10.0%.

- USM Branch administrative staff (as a standard procedure) will specifically include WMBE's in the areas of office supplies, printer cartridges, printing services, and catering, whenever possible.

- The Purchasing Services Office regularly provides staff with information about available vendors, including WMBE vendors.

- The existing list of categorical opportunities for purchase spending will be reexamined, updated, and prioritized.

Additional USM Combined Sewer Overflow (CSO) Project WMBE Consulting Strategies

- In order to comply with the federal Clean Water Act, CSO overflow reduction projects will continue to be a high level priority for SPU. As a result, multiple consultative partnership opportunities will continue to occur over the next decade. The majority of this work is design and design support consulting. Analysis based on business census, VCR, and roster category data is currently being updated to determine aspirational WMBE prime consulting and subconsulting goals for CSO projects. The WMBE aspirational goal range has been between twelve to eighteen percent and will be evaluated over multiple years.

Project Delivery Branch (PDB)

PDB Consulting: 7% aspirational WMBE spending goal for 2013

- In 2012 PDB consultant spending comprised 29.52% of the overall utility spend in this category, of which 1.40% was contracted with WMBE firms. PDB's 2013 aspirational goal remains 7.0%.

- PDB will analyze spending data of available WMBE firms in the VCR and consultant roster categories as supplied by the Strategic Advisor for

WMBE coordination.

- PDB will require consultant and project managers to invite all available WMBEs on the appropriate roster category to submit proposals for consultant work under $260,000.

- PDB will require prime consultants to report subcontracting spend on specific projects and PDB will track this spend on all engineering and design consultant contracts with subconsultants.

- Our PDB Branch Deputy will meet quarterly with PDB Division Directors to identify areas in which WMBE's can be utilized, and set specific WMBE spending goals for each division.

- This WMBE consultant percentage goal will become part of the Division Director's performance contract.

- The existing list of opportunities for consulting spending will be reexamined, updated, and prioritized.

- In 2013, PDB will support SPU's 16.5% subconsultant goal based on past performance and the percentage of available WMBE subconsultants that perform engineering and design work.

PDB Purchasing

- In 2012, the PDB's purchase spending comprised 6.09% of the overall utility spend in this category, of which 37.72% was with WMBE firms. Since PDB exceeded its purchasing goal, it does not set a separate branch purchasing goal.

Additional PDB Construction Contract Strategies for 2013

- *Design-Bid-Build Public Works Contracts*: Construction contracts over $300,000 will continue to contain Inclusion Plans.

- *Job Order Contracting (JOC)*: JOC will continue to be a contracting method available for Project Managers for small public works projects. Based on 2012 JOC data, WMBEs completed 69.52% of the 18 work orders issued through this alternative public works method.

- *GC/CM Public Works Contracts*: For larger, complex projects, Project Managers with Strategic Advisor for WMBE coordination support will continue to work with the selected prime contractors to provide contracting

and subcontracting opportunities to WMBEs through piloting new and innovative methods.

Field Operations and Maintenance Branch (FOM)

FOM Consulting

- In 2012 FOM consultant spending comprised 0.97% of the overall utility spend in this category, of which 29.40% was contracted with WMBE firms. Since FOM continues to exceed its consulting goal, it does not set a separate branch consulting goal.

- In 2013, specific work groups from USM were moved to FOM, Planning and System Support Division, as part of the reorganization and realignment of SPU services. Under this division are engineering and design consultant contracts that exceed $260,000 and require WMBE Inclusion Plans. In 2013, FOM will support SPU's 16.5% subconsultant goal based on past performance and the percentage of available WMBE subconsultants that perform engineering and design work.

FOM Purchasing

- In 2012, the FOM branch's purchase spending comprised 29.24% of the overall utility spend in this category, of which 17.24% was with WMBE firms. Since FOM exceeded its purchasing goal, it will no longer set a separate branch purchasing goal.

Customer Service Branch (CSB)

CSB Consulting

- In 2012 CSB consultant spending comprised 9.18% of the overall utility spend in this category, of which 11.59% was contracted with WMBE firms. Of special note is CSB's high WMBE utilization from consultant rosters (83.42% WMBE spend). CSB's 2013 aspirational goal remains 12.0%.

- Under this division are a number of large resource conservation and other customer program consultant contracts that exceed $260,000 and require WMBE Inclusion Plans. In 2013, CSB will support SPU's 14.0% Customer Programs subconsultant goal based on past performance and the percentage of available WMBE subconsultants that perform this work.

CSB Purchasing

- In 2012, the CSB's purchase spending comprised 3.04% of the overall utility spend in this category, of which 50.21% was with WMBE firms. CSB's WMBE spend was the highest amongst the branches within the Utility. Since CSB continues to exceed its purchasing goal, it does not set a separate branch purchasing goal.

Finance & Administration Branch (F&A)

F&A Consulting

- In 2012 F&A consultant spending comprised 5.51% of the overall utility spend in this category, of which 12.37% was contracted with WMBE firms. Since F&A continues to exceed its consulting goal, it does not set a separate branch consulting goal.

F&A Purchasing

- In 2012, the F&A branch's purchase spending comprised 28.22% of the overall utility spend in this category, of which 14.11% was from WMBE firms. Since F&A continues to exceed its purchasing goal, it does not set a separate branch purchasing goal.

Director's Office, Corporate Strategies & Communications Branch (DCSC)

DCSC Consulting

- In 2012 DCSC consultant spending comprised 8.55% of the overall utility spend in this category, of which 34.13% was contracted with WMBE firms. DCSC's 2012 aspirational goal remains 12.0%.

DCSC Purchasing

- In 2012, the DCSC branch's purchase spending comprised 0.17% of the overall utility spend in this category, of which 40.12% was from WMBE firms. DCSC's WMBE spend through blanket contracts was the highest amongst the branches within the Utility. Since DCSC continues to exceed its purchasing goal, it does not set a separate branch purchasing goal.

Human Resources & Service Equity Branch (HRSE)

HRSE Consulting

- In 2012 HRSE consultant spending comprised 1.37% of the overall utility spend in this category, of which 60.10% was contracted with WMBE firms. HRSE's WMBE spend was the highest amongst the branches within the Utility. Since HRSE continues to exceed its consulting goal, it does not set a separate branch consulting goal.

HRSE Purchasing

- In 2012, the HRSE branch's purchase spending comprised 0.20% of the overall utility spend in this category, of which 46.83% was from WMBE firms. HRSE's WMBE spend through direct vouchers was the highest amongst the branches within the Utility. Since HRSE continues to exceed its purchasing goal, it does not set a separate branch purchasing goal.

SPU Department WMBE Related Training

WMBE related training that SPU will provide to employees in 2013

- During 2013 the WMBE support team will make at least two presentations to the SPU Leadership Forum (all SPU supervisors) on updates, highlighted actions, and current strategies for reaching 2013 aspirational goals.

- FAS in partnership with SPU has agreed to provide training for project managers and other key SPU staff who hold or are planning to secure the services of a consultant or contractor. The focus of this training will include adhering to I-200 guidelines, Inclusion Plans, and how to partner and best utilize FAS Purchasing and Contracting support services.

Consultant Inclusion Plans

All consulting contract proposals over $44,000 are reviewed by the Strategic Advisor for WMBE coordination (or designee) for WMBE business opportunities. The Strategic Advisor for WMBE coordination also attends the initial Consultant Strategy Session with our Grants and Contracts section staff.

- If the contract is less than $260,000 and the Strategic Advisor for WMBE coordination determines there are meaningful subcontracting opportunities, then an Inclusion Plan will be included in the selection and contracting process.

- If the contract is for more than $260,000, the Strategic Advisor for WMBE coordination either participates on the Consultant Evaluation Committee or advises that committee on how to rate the submitted WMBE Inclusion Plan.

Additional Strategies and Efforts

Continued support of rate-payer interests

SPU continues to support rate-payer interests by increasing the pool of consultants, product and service providers, and contracting firms. Increased competition and bid participation in the contracting process enables SPU to have a broader, more diverse pool of consultants, vendors and contractors which can result in lower costs to SPU. In 2013, SPU will begin to explore ways to quantify potential cost savings from increased competition.

WMBE Branch Action Team[1] Strategies

WMBE Branch Action Teams are members selected from their respective Branch who have profound knowledge of the business practices of the branch, analytical skills to determine spending habits, and the ability to make decisions and influence change in WMBE branch spending.

- The SPU Department Director and Executive Team have directed their staff, following the lead of the WMBE Branch Action Teams, to develop and implement 2013 inclusion strategies to increase WMBE utilization.

- Branch Action Teams have been successful in implementing change in spending habits for their respective branches and we intend that this continue in 2013.

- Teams will work with the Strategic Advisor for WMBE coordination to identify and create additional WMBE utilization strategies, including tailored training and building WMBE business relationships.

[1] "WMBE Branch Action Teams" is used here for clarity. Internal to SPU, these teams are called HAT Teams. HAT stands for "***Historically*** underutilized businesses" (HUB) ***Action Team*** from when the term HUB was used to mean women and minority-owned businesses.

- The teams have developed working relationships with City Purchasing, Seattle City Light and Seattle Department of Transportation to continue to identify barriers, share and develop successful strategies, and deepen the teams' knowledge of the WMBE selection processes and parameters.

- The Branch Action Teams and the EJSE WMBE Team will implement a campaign supporting WMBE purchasing strategies throughout 2013.