City of Seattle

2013 SEATTLE DEPARTMENT OF TRANSPORTATION

WMBE OUTREACH PLAN

Policy Statement

In accordance with Ordinance 119603, Executive Order 2010-05, and Seattle Municipal Code 20.42, the city encourages all of its departments to be inclusive of underrepresented business communities, and strives to use all legal means to see that minority-owned and women-owned businesses do not face unfair barriers in their competition for city contracts and in their successful performance of those contracts. Any voluntary targets established in a Department Outreach Plan shall be reasonably achievable, however, no utilization requirements shall be a condition of contracting, except as may be allowed under RCW 49.60.400.

Introduction

Ordinance 119603 requires each city department to develop an annual outreach plan to provide opportunities for minority-owned and women-owned businesses to gain city contracts and purchasing opportunities. The 2013 Outreach Plan summarizes the past performance and the strategies that will guide the Seattle Department of Transportation (SDOT) in its business outreach efforts for 2013. ***Bobby Forch will continue as the Department's representative for the city initiative.***

Department Overview

SDOT is responsible for:

- Building, maintaining and operating Seattle's multi-billion dollar transportation infrastructure;
- Managing short-and long-term investments in streets, bridges, pavement and trees;
- Neighborhood-building projects such as bridge improvements and bike lanes;
- Delivering some of the region's largest capital projects including; The Seattle Street Car Network, Elliot Bay Seawall Project, Mercer Corridor Improvements and the Seattle Waterfront Project.

The department is a regional force in endeavors that support job creation, including Link Light Rail and the Seattle Street Car Network. SDOT keeps Seattle strong by renewing its aging structures such as the Elliot Bay Seawall. The department employs new technology with tools such as the on-line traveler's information and planned construction maps. SDOT takes care of daily business by filling potholes and issuing street use permits.

SDOT Director Peter Hahn has asked staff to continue their commitment to customer service, safety, producing quality products and social justice including "contracting equity."

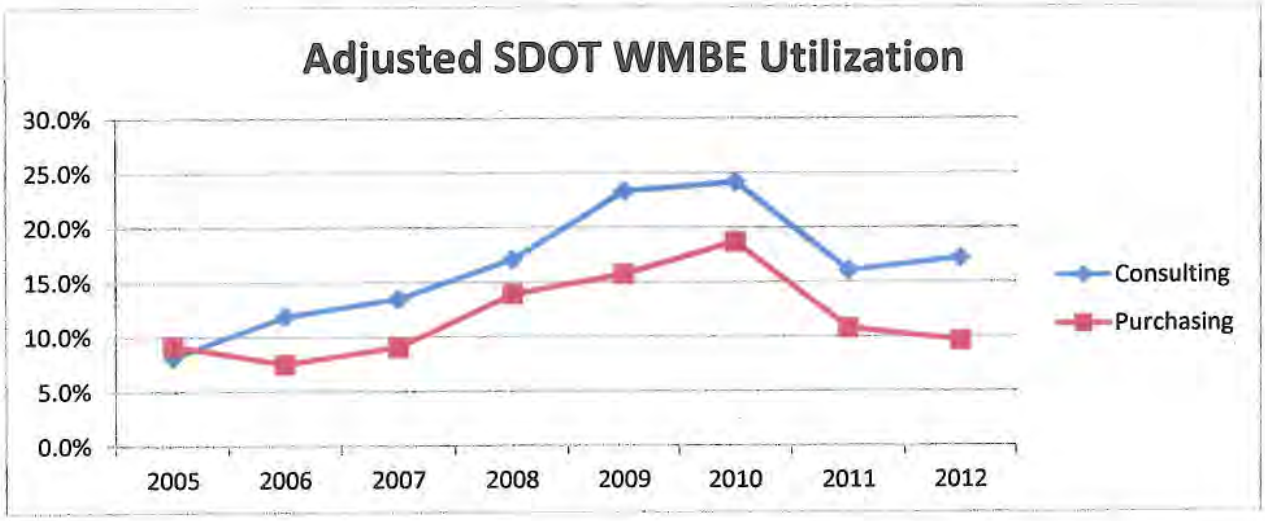
The department is organized into eight divisions each reporting to the Executive Management team:

- **Executive Management** is responsible for the Director's Office, and Communications.
- **Capital Projects and Roadway Structures** is responsible for the Transportation Capital Improvement Program and operation and maintenance of the city's bridges and other structures.
- **Street Use & Urban Forestry** provides permitting for all work to be done in street right-of-way including planting, pruning and removal of trees.
- **Policy and Planning** is responsible for large projects program development.
- **Major Projects** is responsible for implementation of large projects and program development.
- **Resource Management** is responsible for financial oversight, department information systems and administrative support.
- **Street Maintenance** is responsible for street resurfacing, cleaning and general maintenance.
- **Traffic Management** is responsible for operation of the city's street system, and neighborhood and operational programs.
- **Human Resources** is responsible for providing customer service and expertise in the areas of hiring and selection, benefits, training and administrative support services.

Summary of Past Performance & 2012 Performance

Figure 1 illustrates the trends in SDOT contracting and purchasing expenditures over the past 7 years.

Figure 1 – SDOT WMBE Performance 2005-2012



***Note:** Beginning in 2012, SDOT began tracking Mega Project expenditures separately. The figure above reflects SDOT's expenditures less Mega Projects.*

Summary of 2012 Performance Including /Mega Project Sub-Consultants

SDOT met its 2012 goals with the following performance (less Mega Project expenditures):

2012 Voluntary WMBE Targets		2012 Actuals	
Purchasing	**10%**	Purchasing	**9.6%**
Consulting	**10%**	Consulting	**17.2%**
Mega Projects	**12%**	Mega Projects	**18%**

SDOT had a strong over overall performance in 2012 with nearly $9 million or 14% of SDOT's overall budget of $62 million for "Goods and Services" going to WMBE firms. SDOT's 2012 overall performance was led by Consultant Contracting. Sub-consulting on our (4) mega projects spent $4.2 million or 18% of the (4) projects' $23.7 million budget with WMBE Sub-consultants. The $4.2 million in Mega Project sub-consultant WMBE spend coupled with the $3.2 million in direct Consultant WMBE spend and 1.4 million in WMBE purchasing spend made up the 2012 performance.

Large dollar spending for consultants on ***"Mega Projects" such as the Street Car Network, the Elliot Bay Seawall and the Seattle Waterfront project greatly impacted SDOT's WMBE utilization Starting in 2010. These are multi-year contracts and there was no centralized tool for tracking WMBE sub-participation. This made it difficult to provide an accurate accounting of performance for the department. In 2012, SDOT isolated Four (4) Mega Projects from the department's overall spend: First Hill Streetcar, Elliot Bay Seawall, Central Waterfront and Mercer West improvements.*** SDOT tracked WMBE Sub-Consultant utilization on these projects separately. This gave SDOT the ability to more accurately showcase the department's true performance based on real WMBE opportunities. In addition, in the area of purchasing there was a $5.2 million adjustment for the purchase of Street Cars and Rail for the Seattle Streetcar Network due to lack of WMBE opportunity.

The table below shows all SDOT payments including Mega Project sub-consultants.

2012 Performance Summary			
Procurement Type	**Total**	**WMBE**	**Percent of Total**
Consultant/Less(4)Mega Projects	$18,937,617	$3,250,664	**17.2%**
(4)Mega Projects + WMBE Sub-Consultants*	$23,728,615	*$4,284,466	**18%**
Consultant Total w/WMBE Sub-Consultants*	**$42,666,232**	**$7,535,110**	17.6%
Purchasing –Less Streetcar Purchases	$14,319,076	$1,379,690	**9.6%**
Streetcar Purchase (No WMBE Opportunity)**	$5,215,151	NA	NA
Purchasing Total w/Streetcar Purchases	**$19,534,227**	**$1,379,690**	7%
Grand Total	***$62,380,361***	***$8,914,820***	*14.3%*

Notes: ** All direct WMBE expenditures + WMBE subs on (4) Major Projects*
***Seattle Streetcar purchases*

Consultant Contracting

Consultant contracting continues to be a strong area for SDOT. ***2012 provided multiple opportunities at the sub-consultant level for high utilization of WMBE firms. Size and scale of direct consultant contracts along with***

efforts to bring more work inside to save jobs in a weak economy continue to be barriers to WMBE contracting. In addition, Federal funding requirements do not allow SDOT use the city's new "Inclusion Plan" on contracts with Federal fund. This can limit WMBE participation but can be offset by Disadvantaged Business Enterprise (DBE) participation.

Past Performance

- Between 2005 and 2012 SDOT's WMBE spending on consultant contracts increased from 8% into 17%.
- Between 2005 and 2012 SDOT saw a 304% increase in spending with WMBE consulting firms.
- Starting in 2011, SDOT's WMBE utilization declined substantially. The decrease is due to large amounts of spending for consultants on "Mega Projects." These projects are multi-year/multimillion dollar contracts with one major prime contractor and numerous sub-contractors which include WMBE subs. Four projects make up nearly 60% of SDOT's consultant contracting spend. ***In 2012, SDOT isolated these four Mega Projects from the department's overall spending and tracked WMBE Sub-consultant utilization on these projects separately. The WMBE utilization rate was 18% or $4.2 million.***

Purchasing

SDOT is committed to equality in purchasing and has directed all staff to expend the department's purchasing dollars in a way that is fiscally responsible as well as equitable. SDOT's First Hill Streetcar purchased street car equipment in 2012, which amounted to $5.2 million. Unfortunately, there are no WMBE vendors with the capacity to provide this equipment. These purchases represent 27% of total purchases in 2012. ***SDOT ended 2012 with a 9.6% utilization rate for WMBEs in purchasing.***

In 2012, SDOT spent more money than in 2011 on purchases; there was a 45% increase in purchasing spends between 2011 and 2012. More money was spent with non-WMBE firms in 2012. However, in many cases WMBE firms were not available in the areas of purchase. **Over $2.8 million was spent on technology supplies and support in 2012. This represents a 128% increase in spending on those products between 2011 and 2012.**

2013 Voluntary Target for Seattle Department of Transportation

In 2013, SDOT has established a voluntary goal of 10% utilization of WMBE for purchasing and consulting. SDOT will track the four "major projects" separately with a goal of 14%.

Voluntary WMBE Targets	
Purchasing	**10%**
Consulting	**10%**
Mega Projects	**14%**

Purchasing

SDOT purchases a variety of goods and services through three methods: blanket contracts, purchase contracts and direct vouchers. This section summarizes the progress made in 2012 and makes recommendations for 2013.

Adjusted Purchases: 2011 & 2012 Performance History						
	2011			2012		
	Total	WMBE	% of Total	Total	WMBE	% of Total
Purchasing	$12,298,217	$ 1,327,187	11%	$14,319,076	$1,379,690	9.6%
Notes: 2012 has been adjusted for Major Project spend						

Purchasing Contract Strategies and Efforts in Outreach

While WMBE utilization on blanket contracts decreased between 2011 and 2012, the total amount of money spent with WMBE firms through blanket contracts increased. More money was spent with non-WMBE firms in 2012; in many cases WMBE firms were not available. As noted, ***over $2.8 million was spent on technology supplies and support primarily for parking infrastructure in 2012.*** This is a challenge to SDOT's WMBE utilization.

The SDOT WMBE representative will work closely with the SDOT Traffic Division to find opportunities for WMBE Suppliers for items that match their product needs. Moving forward we will encourage staff to consider and use WMBE vendors for which the city has blanket contracts that are not maximized by other SDOT divisions . Including: office products and workspace projects, printing and reprographics, copying and printing, and safety supplies.

SDOT will work with FAS's purchasing staff to identify potential Blanket Contract needs that will benefit the transportation lines of business and identify WMBE vendors that may be potential bidders for these contracts. SDOT will continue to work on creating relationships with WMBE vendors and continue to use existing WMBE Blanket Contracts whenever possible. SDOT continues to work with The Washington State Procurement Technical Assistance Center (PTAC) to identify WMBE firms to bid on SDOT contracts.

Consultant Services

SDOT utilizes consultants to assist in completing its numerous projects and programs. Consultant services are procured through Full Solicitation and Consultant Roster. This section summarizes the progress made in 2012 and makes recommendations for 2013.

Consulting: 2011 & 2012 Performance History						
	2011			2012		
	Total	WMBE	% of Total	Total	WMBE	% of Total
Consultant Total	*$23,729,420	3,035,633	13%	*$18,937,617	$3,250,664	17%
*Notes: * Less (4) Major Projects expenditures*						

Consultant Contracts Strategies and Efforts in Outreach

SDOT will focus on several "On-Call Contracts" to provide for increased WMBE participation in 2013. They will be in the areas of Construction Management and Engineering Support Services. SDOT contracting staff, project managers and WMBE representative have engaged multiple WMBE firms who have bid and successfully won contracts for 2013. In addition, SDOT has identified several smaller consultant contracts that will add to the departments overall WMBE participation in 2013. SDOT will continue to look for opportunities for Small Consultant Roster opportunities for WMBE firms.

Of note, city personnel has allocated 25 FTEs (positions) that city departments may use to backfill specific workforce needs in areas related to SDOT's consulting contracting in 2013. SDOT has secured (4) of these positions. This will take away the potential for some small WMBE consultant contracts.

Mega Projects

In 2011, SDOT began tracking WMBE participation for the four Mega Projects separately. Through this process, prime contractors submit reports outlining how much of their funds went to WMBE sub consultants. This data is collected on a quarterly basis. The table below outlines the project expenditures for Mega Projects expected at the beginning of 2012 and the actual expenditures. ***Highlights include:***

- Actual WMBE utilization in 2012 was 6% higher than the goal set at the beginning of 2012;
- ***Exceeded projected total payments to WMBE firms by $1.64 million;***
- Three out of four projects exceeded 2012 WMBE goals;
- ***The Seawall Project more than doubled the expected payments to WMBE firms;***
- Despite changes in the projected contract expenditures, WMBE utilization remained high.

SDOT Consultant WMBE Mega Project Performance 2012

	Projected 2012 Expenditures			Actual 2012 Expenditures		
Project	**Projected Contract Exp**	**Projected WMBE Spend**	**Goal**	**Actual Contract Exp**	**Actual WMBE Spend**	**Actual WMBE Utilization**
First Hill Streetcar	$1,250,000	$312,500	25%	$1,062,417	$342,100	**32.2%**
Seawall	$11,000,000	$1,430,000	13%	$14,383,236	$3,100,477	**21.6%**
Waterfront	$3,083,000	$308,300	10%	$4,137,174	$491,696	**11.9%**
Mercer West	$5,900,000	$590,000	10%	$4,145,788	$350,193	**8.4%**
Total	***$21,233,000***	***$2,640,800***	***12%***	***$23,728,615***	***$4,284,466***	***18%***

SDOT estimates that it will spend $24.75 million on mega projects in 2013, with 14.23% going to WMBE firms. SDOT ask FAS to isolate these expenditures from "traditional" consultant spend. The chart below illustrates the expected expenditures for each of the four mega projects. ***SDOT commits to a goal of 14% in 2013.***

SDOT Project WMBE Utilization on Mega Projects

	Projected 2013 Expenditures		
Project	**Projected Contract Exp**	**Projected WMBE Spend**	**Goal**
First Hill Streetcar	$1,250,000	$312,500	25%
Seawall	$8,000,000	$1,200,000	15%
Waterfront	$13,000,000	$1,560,000	12%
Mercer West	$2,500,000	$450,000	18%
Total	***$24,750,000***	***$3,522,500***	***14.23%***

Construction Contracts

SDOT hires contractors to perform construction services for transportation capital improvement and maintenance. The graph below illustrates SDOT's WMBE utilization on construction projects.

Construction Strategies and Efforts in Outreach

The Elliot Bay Seawall project will be a focus for SDOT and WMBE participation in 2013. The Seawall project is one of the largest Public Works projects ever delivered in the region. The prime GC/CM contractor Mortenson /Manson along with support from FAS and SDOT have already developed a Social Equity/Inclusion Plan. This plan will guide the prime contractor in achieving a minimum 13% WMBE inclusion for the project. SDOT representative Bobby Forch will be participating in weekly meeting with FAS and Mortenson/Manson to help identify capacity for specific bid packages and monitor short-and long-term strategies.

SDOT has been working with FAS to update the city's new Inclusion Plan and anticipates increased SDOT WMBE inclusion as a result. One change made to the Inclusion Plan is that WMBE primes will be able to count any work they perform over the mandatory 30% requirement. A new mentoring guarantee provision in the Inclusion Plan should increase the number of new WMBE firms on SDOT projects. SDOT will continue to work with FAS to ensure contractors meet this new requirement. A SDOT representative will continue to meet with local associations including, The Community Coalition for Contracts and Jobs (CCCJ) and Nation Association of Minority Contractors (NAMC). SDOT will also work FAS in support of the Washington State Department of Transportation's Disparity Study. The study will support WSDOT's *ability to set goals for* Disadvantage Business Enterprises (DBE) on city projects.

SDOT will continue to work with FAS and other city departments to connect successful city prime contractors who and WMBE subcontractors to build relationships.

Job Order Contracting (JOC)

SDOT will continue to pursue JOC opportunities for projects of three hundred thousand dollars or less ($300,000). The program requires 90% of the work be subcontracted. SDOT believes this contracting method will provide WMBE contractors opportunity to construct small projects, such as blocks of sidewalk and traffic circles as part of the Department's BTG initiative.

City's New Construction Inclusion Plan

SDOT continues to work with FAS to improve policies related to the new "Inclusion Plan" on each construction project. ***For 2013 several new provisions should assist in raising WMBE inclusion. These provisions include raising the Performance Measure from 9.7% to 12%, allowing WMBE primes to count any self performance over the 30% requirement and a new mentoring guarantee provision.*** These updates should create greater WMBE benefits on construction projects.

Outreach Efforts and Strategies

SDOT's 2013 Outreach Plan is based on the results of 2012 outreach efforts and anticipated 2013 department spending. The following describes these successes and presents strategies to move SDOT forward in 2013.

Training

In 2013, SDOT will provide procurement training for staff responsible for making purchases. Training includes PowerPoint presentations by city staff member. In addition, SDOT staff responsible for purchasing goods and services will be asked to utilize resources such as the (VCR) database system to locate WMBE businesses that may provided the desired goods/services. SDOT will also continue to work with FAS to identify vendors in the areas where there are no WMBE firms. To date, SDOT has trained approximately 150 staff members.

SDOT will continue to work with FAS in the early stages of the bidding process for all other SDOT projects to ensure maximum WMBE participation for the city's bidding process. Director Peter Hahn will continue to make WMBE utilization goals a high priority by communicating timely messages to all SDOT employees and by making equality in contracting a part of each Division Director's accountability.

Community Outreach Efforts

In 2012, a SDOT representative attended monthly community meetings including Tabor 100, Community Coalition for Contracting Jobs (CCCJ), National Association of Minority Contractors (NAMC) as well as meeting with individual WMBE consultant and contractors. In addition, SDOT participated in Vendor Trade Shows like the Regional Contracting Forum, Northwest Minority Showcase and city sponsored Meet and Greet. SDOT will make the following measurable efforts in 2013 to reach out to small and historically underutilized businesses (WMBEs).

Department Meet and Greets and Pre-construction Meetings

The Department will commit to holding at least one (1) "Meet & Greet" with local city business groups and associations including Tabor 100 and Affinity Chambers. In, addition SDOT will schedule pre-construction and pre-bid meetings to give WMBEs the most timely information regarding time, cost and scope. These networking sessions have already yielded numerous contracts with WMBE firms.

Vendor Trade Fairs

SDOT will participate in (4) local or regional outreach events, including:

- Regional Contracting Forum;
- Northwest Minority Show Case;
- Alliance NW Conference;
- Northwest Native American Development Fair.

Community Meetings

A SDOT representative will continue to attend:

- Tabor 100;
- The Community Coalition for Contracts and Jobs (CCCJ);
- National Association of Minority Contractors (NAMC);
- Affinity Chambers including Hispanic and Filipino Chambers.

Urban Enterprise Center Partnership

SDOT as part of a greater city coalition, will partner with the Greater Seattle Chamber's multicultural business arm, the Urban Enterprise Center (UEC) to outreach to local business. The UEC promotes economic empowerment, increased participation and growth for minority-owned and small businesses, and improved race relations in the metropolitan area.

Community Workforce Agreement (CWA)

The Elliot Bay Seawall project represents one of the largest public works projects ever delivered in the region. It has an estimated $200 million price tag. The Mayor of Seattle recently launched a social equity initiative to seek a Community Workforce Agreement (CWA) on City of Seattle projects. In 2013, the City of Seattle and SDOT entered in to an agreement for a CWA as part of the GC/CM construction contract for the Elliot Bay Seawall project. The CWA will address "Worker Diversity" and will strive to meet several apsirational goals/ requirements. They include:

- Woman and minority apprentice placement goals;
- Woman & minority total hour goals;
- Preferred entry apprenticeship goals;
- Local hiring goals.

SDOT will work actively with FAS and the prime contractor to implement and monitor the result of the CWA. It will include leadership and participation on the Joint Action Committee (JAC) as part of the process.

Conclusion

SDOT will work aggressively to increase its outreach efforts in all areas of contracting. The department will actively participate in local and regional outreach events and continue to build its bond with the WMBE contracting community. SDOT Director Peter Hahn will hold meet and greets with local WMBE firms. These firms will be representational of all the MBE groups. SDOT will take specific measures to interface with the WMBE and WMBE community to identify and reduce barriers to contracting opportunities. SDOT will continue to provide staff training to improve knowledge of contract information available to department staff to ensure more targeted outreach to WMBEs with capacity to perform on specific SDOT contracts.

Department Lead:
Lenda Crawford- SDOT Deputy Director

Department Outreach Staff:
Bobby Forch- Contracting Equity Manager