

2014 SEATTLE DEPARTMENT OF TRANSPORTATION WMBE/HUB OUTREACH PLAN

Department Representative for 2014:
Bobby Forch and Lenda Crawford

2014 Voluntary Target for Seattle Department of Transportation:

For 2014, SDOT has established a voluntary goal of 10% utilization of WMBE for purchasing and consulting. SDOT will continue to track the four Mega Projects separately. SDOT has established a goal of 16% for WMBE inclusion at the sub-consultant level for Mega Projects based on projected expenditures and contract Inclusion Plans.

Voluntary 2014 WMBE Targets

| | |
|---------------|------------|
| Purchasing | 10% |
| Consulting | 10% |
| Mega Projects | 16% |

SDOT Project WMBE Utilization on Mega Projects

| Project | Projected Contract Expenditure | Projected WMBE Spend | Goal |
|----------------------|--------------------------------|----------------------|------------|
| First Hill Streetcar | \$600,000 | \$90,000 | 12% |
| Seawall | \$23,038,139 | \$5,204,757 | 18% |
| Waterfront | \$14,726,421 | \$2,694,499 | 14% |
| Mercer West | \$4,000,000 | \$1,045,000 | 20% |
| Total | \$42,364,560 | \$9,034,256 | 16% |

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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 2014 Outreach Plan summarizes the past performance and new strategies that will guide the Seattle Department of Transportation (SDOT) in its inclusion efforts for 2014. ***Bobby Forch and Lenda Crawford 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.

Additionally, thanks to Seattle voters, a multi-million dollar levy known as Bridging the Gap is helping reduce the transportation maintenance backlog for the first time in a generation. From large street repaving projects to street sign replacement and sidewalk development, this levy has presented many opportunities for both large and small contracts to help the city deliver on our promise to voters.

In 2013, SDOT's budget represented 34% of the City of Seattle's total expenditure. 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 some of its aging structures such as the Elliott Bay Seawall. The department is employing new technology with tools such as the on-line traveler's information and planned construction maps. SDOT is taking care of daily business by filling potholes and issuing street use permits.

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.

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- **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.

SDOT's 2013 WMBE Utilization Performance

SDOT's utilization of WMBE firms has increased in total dollars over the last year by \$1.9 million. SDOT spent a total of \$5,009,425 in purchasing, consultant, and non-compliant dollars with WMBE firms in 2013. This is a 63% increase in overall WMBE spends since 2012.¹

The following table summarizes SDOT's 2013 WMBE performance by contract type. Please note that this total includes Mega Projects expenditures.

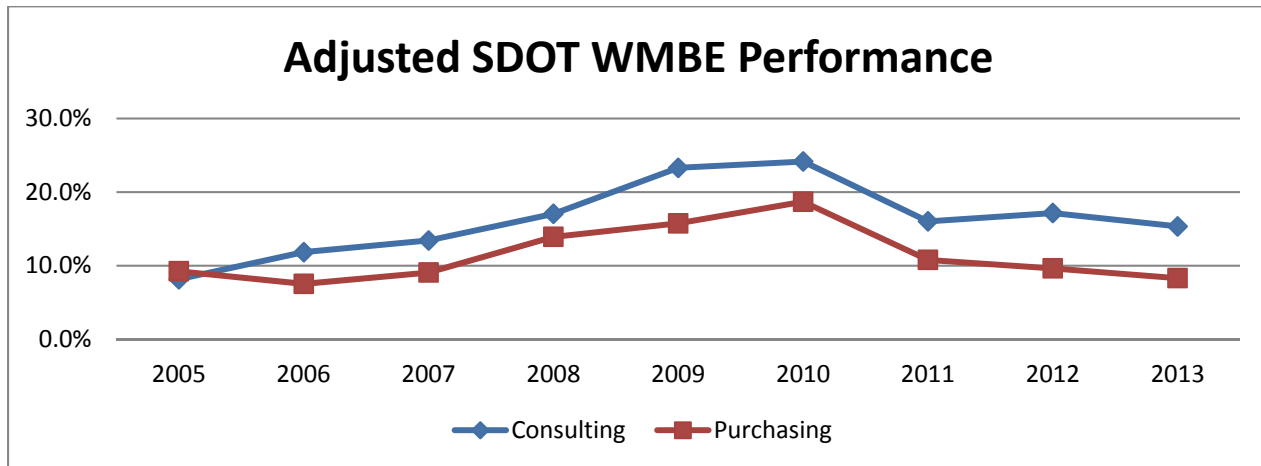
| 2013 Performance Summary | | | |
|----------------------------|------------------------|------------------------|---------------|
| Procurement Type | Total | WMBE | % WMBE |
| Blanket Contract | \$21,798,086.98 | \$1,663,935.41 | 7.63% |
| Purchase Contract | \$2,875,878.81 | \$59,971.56 | 2.09% |
| Direct Voucher | \$1,221,474.15 | \$184,747.21 | 15.12% |
| Purchasing Total | \$25,895,439.94 | \$1,908,654.18 | 7.37% |
| Consultant Contract | \$48,139,446.66 | \$2,582,042.56 | 5.36% |
| Consultant Roster | \$2,080,815.28 | \$482,430.89 | 23.18% |
| Consultant Total | \$50,220,261.94 | \$3,064,473.45 | 6.10% |
| Non-Compliant Total | \$145,932.12 | \$35,296.93 | 24.19% |
| Grand Total | \$ 76,261,634 | \$ 5,008,424.56 | 6.57% |

¹ WMBE utilization percentage decreased slightly from 2012 due to the increased Major Project prime contract expenditures, which have no WMBE opportunities. SDOT tracked sub-consultant expenditures with WMBE firms for those projects, detailed on page 4.

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Figure 1, below, illustrates the trends in SDOT contracting and purchasing expenditures over the last 8 years. This demonstrates the total WMBE spends less Major Projects, which SDOT tracks separately.

Figure 1 – Adjusted SDOT WMBE Performance 2005-2013



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

In 2011 SDOT's WMBE utilization declined substantially due to large amounts of spending for consultants on Major 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 utilization on these projects separately to determine spends on WMBE subs. These projects are: First Hill Streetcar, Elliot Bay Seawall, Central Waterfront and Mercer West.

SDOT continued to track Mega Projects separately in 2013, and the progress is outlined below.

| 2013 Mega Project Goals | | | | |
|-------------------------|------------------------|-----------------------|------------|--------------|
| Project | Contract Expenditure | WMBE Spend | Goal | Actual |
| First Hill Streetcar | \$1,646,033.61 | \$494,486.42 | 25% | 30% |
| Seawall | \$13,243,284.96 | \$4,481,003.57 | 15% | 33.8% |
| Waterfront | \$11,501,687.90 | \$2,122,611.56 | 12% | 18.5% |
| Mercer West | \$3,859,718.26 | \$1,172,851.08 | 18% | 30.4% |
| Total | \$30,250,724.73 | \$8,270,957.63 | 14% | 27.3% |

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SDOT exceeded WMBE inclusion goals on all four Mega Projects. As per our 2013 goal setting methodology, SDOT has tracked payments to six (6) Prime Consultants on Four Mega Projects separately from overall consultant spends. These expenditures have no WMBE opportunities. SDOT focuses on sub-consultant spending, where the majority of our WMBE opportunities exist.

The following table shows SDOT’s actual spending when Mega Projects are tracked separately from overall consultant spends.

| 2013 Voluntary WMBE Targets | | 2013 Actual | |
|-----------------------------|-----|---------------|-------|
| Purchasing | 10% | Purchasing | 8.3% |
| Consulting | 10% | Consulting | 15.3% |
| Mega Projects | 14% | Mega Projects | 27.3% |

SDOT spent over \$50 million on consultant contracts in 2013, of which \$11 million went to WMBE prime and Mega Project sub-consultants. This represents 22.6% of our total consulting expenditures in 2013.

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 a street car in 2013, which amounted to \$5.2 million. Unfortunately, there were no WMBE vendors with the capacity to provide this equipment. These purchases represent 11% of total purchases in 2013. Controlling for the streetcar purchase, SDOT’s purchasing expenses from WMBE firms make up 8.3% of total purchases.

Mega Projects

In 2012, 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. In 2013, SDOT continued to track sub consultant spends on a quarterly basis. The table below outlines the project expenditures for Mega Projects in 2013.

- 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
- All four projects exceeded 2013 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

2014 Voluntary Target for Seattle Department of Transportation

For 2014, SDOT has established a voluntary goal of 10% utilization of WMBE for purchasing and consulting. As per our 2013 goal setting methodology SDOT has excluded payments to six (6) Prime Consultants on Four Mega Projects: Mercer West, First Hill Streetcar, Elliott Bay Seawall and the Waterfront Project. These expenditures have no WMBE opportunities. SDOT continues to focus on sub consultant spending, where the majority of our WMBE opportunities exist. SDOT has established a goal of 16% for WMBE inclusion at the sub-consultant level for Mega Projects based on projected expenditures and contract Inclusion Plans.

| Voluntary WMBE Targets | |
|------------------------|-----|
| Purchasing | 10% |
| Consulting | 10% |
| Mega Projects | 16% |

Strategies and Outreach Efforts to Achieve Goals

SDOT's 2014 Outreach Plan is based on the results of 2013 outreach efforts and anticipated 2014 department spending. The following presents strategies in purchasing, consultants, Major Projects, training, construction, and community outreach to move SDOT forward in 2014.

Purchasing

SDOT purchases a variety of goods and services through three methods: blanket contracts, purchase contracts and direct vouchers. This section summarizes recommendations for increasing inclusion in 2014.

Strategies and Efforts in Outreach in Purchasing

SDOT will continue to encourage staff to consider and use WMBE vendors for office products and workspace project purchase, printing and reprographics, copying and printing, and safety supplies. SDOT staff will continue attempts to increase purchasing inclusion with direct internal efforts. Spends analysis on the types of products purchased within SDOT divisions will provide more detailed WMBE utilization information and allow divisions to set their own purchasing goals to increase efforts. Additional training and resources for SDOT staff will assist them in expanding WMBE inclusion.

The city has hundreds of WMBE blanket contract holders for the department to choose from when making these purchases. SDOT works collaboratively 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 will work with The Washington State Procurement Technical Assistance Center (PTAC) to identify WMBE firms to bid on this contract and other SDOT contracts.

SDOT faces few WMBE opportunities for the large purchases made within our infrastructure projects, including streetcars for the First Hill Streetcar Project. In 2014 SDOT anticipates allocating \$16 million for streetcar purchases, which we estimate to be approximately 40% of

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SDOT's overall purchasing spend for 2014². Additionally, SDOT will purchase parking pay stations in 2014, and we anticipate over \$1 million expenditures with no WMBE opportunity.

WMBE InWeb Page Launch

SDOT will launch a series of InWeb pages that provide WMBE information targeted to SDOT staff. This will build internal capacity for increased WMBE utilization by providing resources to aid staff in accessing WMBE firm information for purchasing and consultant contracts.

Consultant Services

SDOT utilizes consultants to assist in completing its numerous projects and programs. Consultant services are procured through Full Solicitation and the Consultant Roster. This section summarizes recommendations for 2014.

Consultant Contracts Strategies and Efforts in Outreach

Between 2011 and 2012 WMBE consultant utilization decreased due to the substantial size of prime contracts with no WMBE opportunity facing our Major Projects. While the prime contractors for these projects are not WMBE firms, each prime utilizes a high percentage of WMBE subs. **As a result, SDOT isolated these projects from the overall department spend and tracked them individually. SDOT created a robust tool for tracking sub-consultant utilization from our prime consultants to capture this additional WMBE utilization.** Additionally, a new tool for tracking sub consultants was developed by FAS and launched in 2013 that helped track sub consultant payments. SDOT will continue to track sub-consultant payments in 2014, and set specific Major Project goals to demonstrate progress in utilization.

SDOT staff coordinate with prime consultants to acquire sub-consultant spend information. Additionally, SDOT staff meets periodically with prime consultants to discuss WMBE inclusion strategies, discuss goals, and future plans for inclusion.

SDOT estimates that it will spend \$42 million on Mega Projects in 2014, with \$9 million estimated to go to WMBE firms. The chart below illustrates the expected expenditures for each of the four major projects. **We will commit to 16% WMBE inclusion on Major Projects in 2014, which represents a 14% increase over the previous year.**

SDOT Project WMBE Utilization on Mega Projects

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² Based on 2013 SDOT purchasing data

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SDOT will pursue an expansion of sub-consultant tracking practices for other large contracts in addition to Major Projects in 2014. Many Capital Projects have large contracts with Inclusion Plans, and SDOT will examine strategies for tracking sub-consultant utilization for such projects in 2014.

Training

In 2014 SDOT will continue to provide procurement training for staff. Training includes PowerPoint presentations by a City staff member. **As a focus of our 2014 training SDOT will highlight contract equity compliance, as a joint effort with FAS.** 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 provide 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.

Construction Contracts

SDOT hires contractors to perform construction services for transportation capital improvement and maintenance to assist in completing it numerous projects.

Construction Strategies and Efforts in Outreach

With the city's new Inclusion Plan SDOT anticipates an increase in WMBE inclusion 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);
- 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 bring the top primes contractors who have been successful in winning major contracts with the City and WMBE subs together to create relationships between the primes and the WMBEs. It is important that Department Heads and Directors dealing with construction communicate to primes the importance of inclusion.

Job Order Contracting (JOC)

SDOT has pursued JOC through the Citywide Inter-Departmental Team to help create more opportunities for WMBE firms to competitively bid and/or pursue subcontracts on City construction contracts. The program requires 90% of the work be subcontracted. SDOT saw success in the Safe Routes to Schools program, where over 50% of work went to WMBE firms. SDOT will continue to use such contracting methods where possible to provide WMBE contractors opportunity to construct small projects.

City's New Construction Inclusion Plan

SDOT will continue to work with FAS to improve policies related to the new "Inclusion Plan" on each construction project. The "Inclusion Plan" will create greater WMBE benefits on construction projects.

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Community Outreach Efforts

An SDOT representative will continue to attend community meeting including Tabor 100, CCCJ, and NAMC meetings in 2014. In addition SDOT will continue to participate in Vendor Trade Shows like the Regional Contracting Forum, Northwest Minority Showcase and the City's Procurement Fair.

Vendor Trade Fairs

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

- Regional Contracting Forum;
- Northwest Minority Show Case;
- City of Seattle Procurement Fair (if applicable);
- 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).

Urban Enterprise Center Partnership

SDOT as part of a greater City coalition will look to 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.

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 will take specific measures to interface with the WMBE and WMBE community to identify and reduce barriers to contracting opportunities. SDOT will focus efforts on department-wide outreach to promote WMBE inclusion accountability. 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.

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