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To: Miguel Beltran, Finance and Administrative Services

From: Kristen Simpson, Interim Director

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Subject: 2022 WMBE Goals and Strategic Outreach Plan

1. Office/department WMBE representative: The Mayor’s Office requires each department have one designated WMBE representative, although duties may be coordinated among several staff members. Please confirm the WMBE representative listed on this chart is correct.

The WMBE Advisor role in SDOT is currently being filled on an interim basis by Sachi Delacruz, under the guidance of Michele Domingo, Director of Equity and Economic Inclusion. Sachi previously served as the WMBE and Equity Data Advisor and is filling the WMBE Advisor role following the departure of the previous WMBE Advisor.

2. 2022 Goal setting: In Mayor Harrell’s State of the City address, he committed to increasing the City’s WMBE spend above the 20% achieved in 2021. In 2021, SDOT spent 19% of our purchasing dollars and 38% of our consulting dollars with WMBE firms, which totaled $20.5 million to WMBE firms. For 2022, SDOT will set our purchasing goal at 19% and our consultant goal at 38%, and we anticipate our total spend for the year will increase,so our goal will increase the total WMBE dollar amount. For purchasing and consulting combined, our goal puts us at just under 30% of our spend going to WMBE firms.

2022 SDOT WMBE Use Goals Purchasing Goal Consulting Goal Percentage 19% 38% WMBE spend (planned) $5,700,000 $15,200,000 Total spend (planned) $30,000,000 $40,000,000

For historical context:

• Since 2012, SDOT has increased its WMBE consultant use from 3% to 38%

• Despite pandemic obstacles in 2021, SDOT paid $15 million to WMBE prime consultants and $5.5 million to WMBE primes in purchasing

• Since 2012, SDOT increased its purchasing spend to WMBE primes by over $4.1 million

• Since 2018, SDOT has met or exceeded its consultant contracting use goal

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3. 2022 outreach plan: Summarize the strategies the department will undertake to reach 2022 WMBE goals. Focus especially on outreach and engagement work with the WMBE community, with emphasis on MBE contracting community.

In this section, we have described our planned external engagement strategies, as well as engagement within SDOT, to promote WMBE and MBE use.

External Engagement

SDOT-Hosted Events & Focused Networking– The SDOT WMBE Advisor will:

• Coordinate informational events facilitating connections between WMBE firms and SDOT. Building on our successful model, Working with SDOT, WMBE firms learn about planned projectsso they can prepare for upcoming contracting prospects. Additionally, time is provided for networking with SDOT leadership, project managers, and prime contractorsto help build relationships.

• Continue engagement with the new City Technical Assistance Services Consultant, which assists firms in business development and in responding to City RFP/RFQs.

Partnering with Community Organizations – Maintainand build relationships with community organizations such as Tabor 100, National Association of Minority Contractors Washington Chapter, Northwest Mountain Minority Development Council, and the Conference of Minority Transportation Officials Washington Chapter. Building relationships and engaging with these organizations is part of our strategy to support MBE participation.

Notification of Upcoming Opportunities: Anticipated Projects Sheets –We take a three-pronged approach to promoting contracting opportunities:

• Facilitate collaboration and coordination between SDOT divisions creating information sheets about upcoming projects and sharing them through the SDOT WMBE website and community organizations, such as those listed above.

• Partner with FAS-PC to ensure WMBE firms are alerted to blanket contract opportunities, focusing on contracts our department uses the most and supporting WMBE firms seeking blanket contracts.

• Provide advance notification of upcoming Public Works projects by distributing long-term project forecasts andencouraging WMBE-inclusive teaming.

Minority-Owned businesses (MBE)as Prime Contractors—Increasing the success of MBEs toward being awarded as prime contractors is an important focus for us. In 2021, MBE use in SDOT’s total consulting dollars was 11.7% and in SDOT’s total purchasing dollars was 12%. The percentages show there is an opportunity for increasing overall MBE use, especially with consulting dollars. We believe tactics described in this report will support increased use, and the WMBE advisor will also coach the executive and management team on the importance of advocating for the efforts to ensure better success. We will:

• Focus on engaging MBEs in contracts to diversify the business fields SDOT usesthe most such as engineering and project management.

• Use feedback and after-action reports from previous pilot programs: implement concerted planning efforts, unbundle large projects, and focus on mentorship within large, unbundled projects to increase competitiveness.

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Internal Engagement

Broaden the Scope of SDOT’s Contract Equity Endeavors – The Office of Equity and Economic Inclusion recently completed the Transportation Equity Framework, which will be a critical tool for achieving one of the SDOT’s six values: “We believe transportation must meet the needs of communities of color and those of all incomes, abilities, and ages. Our goal is to partner with communities to build a racially equitable and socially just transportation system.” The Framework defines values and strategies that guide over 200 tactics in the implementation plan. The implementation plan spans 2022 to 2028, and it is a dynamic document that will be adjusted, monitored, and updated regularly.

We will align the definition of contract equity to fit within the framework and we will employ Implementation Plan tactics supporting the WMBE goal of increasing access to city contracts and opportunities by:

• Creating a practice within SDOT that centers BIPOC firms and community-based organizations throughout the department’s contracting equity and engagement activities.

• Identifying and implementing changes to institutional policies that elevate community-based organizations and smaller BIPOC firms.

• Creating a contract equity plan to address responsibilities for WMBE engagement and support in a way that embeds equity across SDOT roles.

WMBE Advocate Program– Continue implementing the WMBE Advocate Program, which promotes contracting inclusion and trains SDOT staff on available tools and resources to integrate into their daily work and to use as they develop contracting and purchasing plans.

Blanket Contracts: One of SDOT’s biggest challenges in meeting WMBE goals is blanket contracts. Per City policy, Departments must use a blanket contract for the requested good or service if available. If no WMBE firms are on the blanket contracts, it significantly impacts SDOT’s WMBE use. SDOT plans on increasing our collaboration with FAS-PC and our Contracts & Procurement team to improve communication on expiring contracts to increase WMBE participation. Another challenge Is large and sole source procurements which often limit WMBE opportunities. SDOT seeks to lessen the impact through WMBE availability reviews and unbundling strategies to provide some WMBE opportunity on large projects and purchases.

Inclusion Plan Monitoring and Consultant Contract Inclusion Plan Scoring – Support and enforce the use of the Inclusion Plan to encourage prime consultants, project managers, and the WMBE firm staff to align contract performance with predetermined WMBE inclusion parameters. The SDOT WMBE Advisor will also provide oversight and guidance for standardization and consistency in scoring the Inclusion Plan. Similarly, we will strengthen collaboration with FAS-PC to bolster monitoring and performance expectations for SDOT Public Works contracts through recurring check-ins with contract management staff to coordinate action on commitments.

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WMBE Inclusion and Availability Assessment Initiatives-Work with SDOT Division Directors to determine the procurement needs and challenges for each division and determine where there are opportunities for WMBE inclusion. Questions will be embedded into the request process of the Consultant Contract Request Form, the Internal Request Form, the Amendment Request Form, and Work Authorization Request Form to require assessment of WMBE availability and identification of potentially restrictive specifications and barriers. The Consultant Contract Request Form was updated to require evaluation of WMBE availability at the time of the request and to include listing any potential barriers to WMBE participation.

Scoping of Projects: Engage in the scoping of projects to explore approaches in making work more accessible to the WMBE firms. A critical practice for this initiative is the SDOT WMBE Advisor’s role in recurring Steering Committee meetings where project scopes are discussed and at procurement kick-off meetings.

Accessible Procurement Method: Roster Procurements– The Consultant Roster is an important tool for WMBE inclusion given the simplified and expedited nature of the procurement process and reduced documentation required from interested firms. SDOT will continue to maximize the use of the tool and seek additional ways to facilitate the contracting process. Continued Emphasis on WMBE Subcontractor

Goal Monitoring– SDOT will strengthen WMBE goal tracking and monitoring using the B2GNow diversity compliance system. This information is compiled into the WMBE Utilization Compliance Report reviewed by the SDOT program owners and executive team.

4. Prompt pay: All departments shall pursue a 95 percent compliance on prompt pay for consultant contracts. This means that the City shall pay prime contractors within 30 days of an accepted and properly prepared invoice. Please note the 2021 actual prompt pay percentage and explain how the department will achieve 2022 goals.

SDOT is committed to creating a responsive environment for firms engaging in City work and fully supports the Prompt Pay Initiative. Under this initiative, SDOT strives to pay all consultant invoices within 30 days. This standard is outlined in the City’s code and in our contract language. The City set a performance standard for payment of accepted and properly prepared invoices of a 95% compliance rate on prompt pay. In 2021, SDOT achieved an 89% prompt payment rate, an increase from our payment rate in 2020. We will continue to work with Project Managers and our Contracts and Procurement team with the intent to achieve a 95% compliance rate in 2022