

Item No.:
Meeting Date:

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December 2, 2014

Port of Seattle Disparity Study Briefing

Office of Social Responsibility (OSR)

Study conducted by
BBC Research & Consulting



Port
of Seattle®

Outline

- What is a Disparity Study?
- Commission Historical Context
- Key Terms
- Study and Results
- Opportunities and Recommendations
- Next Steps



What is a Disparity Study?

What

An in-depth analysis of the number of specified individuals or groups who are available to participate in certain opportunities and those that actually do.

Purpose

To help determine whether the environment is fair and equitable to all parties involved, and support for remedies to address under-representation.

Mandatory Nature

Disparity studies are not mandatory, except for race-conscious measures in the Ninth Circuit Court Jurisdiction



Commission Historical Context

- **Unanimous** support & approval to conduct a Disparity Study for construction and construction-related professional services
- **Expressed** desire for increased Small Business opportunities, and to better understand the level of participation of minority and women-owned businesses
- **Proactive** encouragement to Port staff to be inclusive of small and minority owned businesses in the **future** of the Port's Small Business Program

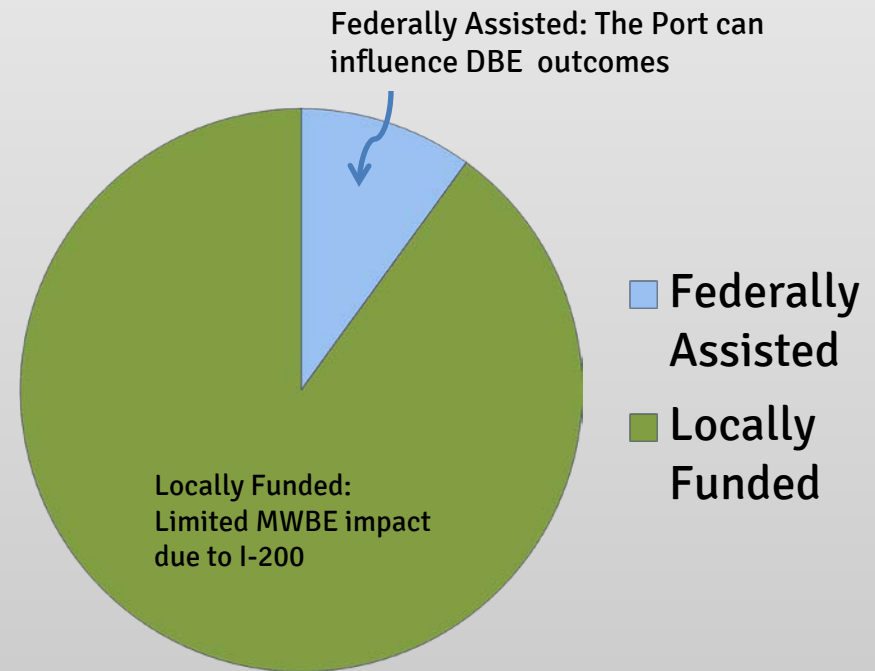


Key Terms

- Disadvantaged Business Enterprise (**DBE**)
- Minority-owned Business Enterprise (**MBE**)
- Women-owned Business Enterprise (**WBE**)
- Small Business Enterprise (**SBE**)

Port Construction and Construction-related Professional Services Contracts Funding Mix

- ❖ Approximately 10% of these Port of Seattle contracts are federally assisted.
- ❖ Approximately 90% of these Port of Seattle contracts are locally funded.



Study And Results



Scope of Analysis

Over 1,000 construction and construction-related professional services contracts included in the study.

Study period include contracts executed between January 1, 2010 and September 30, 2013.

Contract types	Number	Dollars (millions)
Construction	681	\$190
Construction-related Professional Services	<u>367</u>	<u>52</u>
Total	1,048	\$242

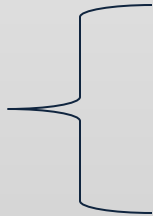
Contracts review include those from 344 primes and 704 subcontractors



Key Elements of a Disparity Study

- Community engagement
- Legal analysis and framework
- Review of contracting, program measures
- **Utilization analysis**
- **Availability analysis**
- **Disparity analysis**
- Explanations for any disparities
- Analyses of marketplace conditions
- Recommendations and implementation

Focus of this presentation



Utilization Analysis

Percentage of construction, professional services dollars that went to M/WBEs

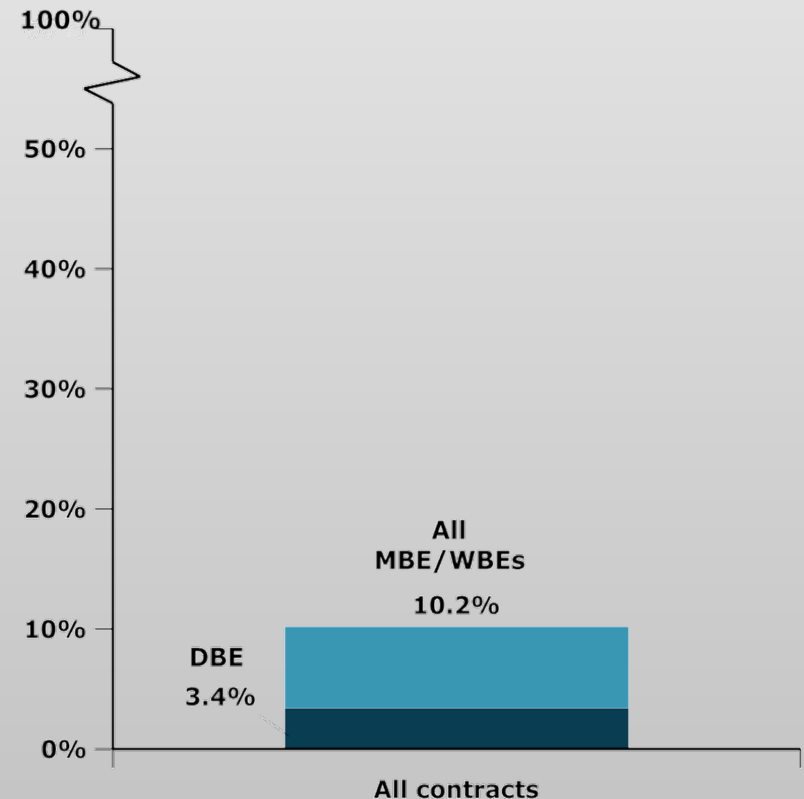
Port data

- Prime Port contracts, subcontracts
- Utilized vendors
- Other information

Telephone surveys

- Business information
- Lines of work
- Year established
- Race/ethnicity and gender

Percentage of construction & professional service dollars



Availability Analysis

Percentage of contract dollars that M/WBEs ready, willing, able to perform

Port data sources

- Prime contracts, subcontracts
- Other information

Telephone surveys

- Lines of work
- Contractor role
- Year established
- Relative capacity
- Qualifications and interest
- Race/ethnicity and gender

Relative availability of M/WBEs

Race/ethnicity and gender	Availability Estimate
Black American-owned	2.4 %
Asian-Pacific American-owned	2.2
Subcontinent Asian American-owned	1.8
Hispanic American-owned	4.8
Native American-owned	2.4
Total MBE	<u>13.7 %</u>
WBE (white women-owned)	4.5
Total MBE/WBE	<u>18.2 %</u>

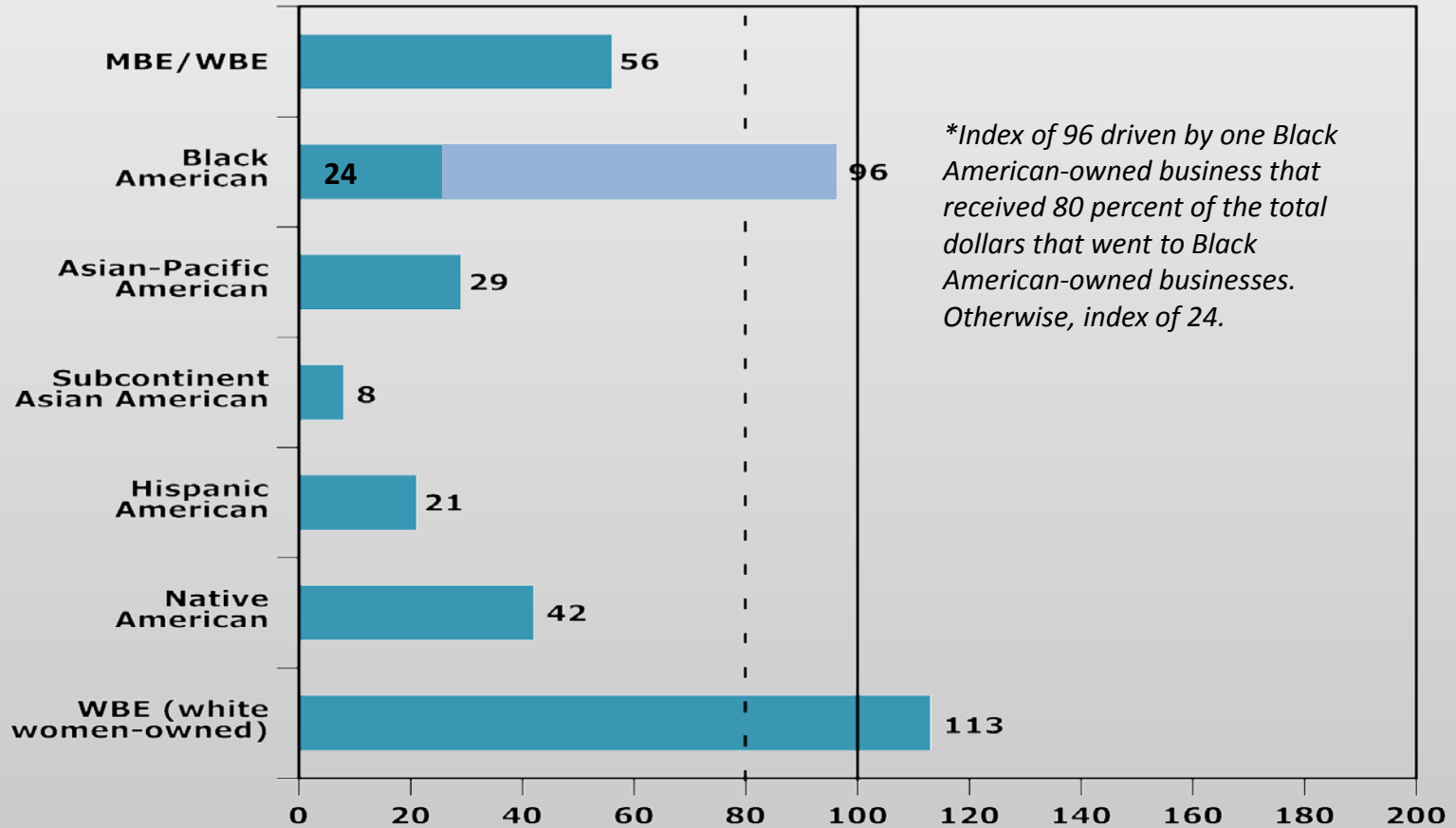
Disparity Analysis

Index that compares utilization to availability on study contracts

$$\frac{\begin{array}{c} \mathbf{10\%} \\ \text{M/WBE UTILIZATION} \end{array}}{\begin{array}{c} \mathbf{18\%} \\ \text{M/WBE AVAILABILITY} \end{array}} \times 100 = \mathbf{56}$$

- Disparities of 100 or more include *parity*, the state of being equal.
- Disparities of 80 or less considered *substantial* according to several courts, noted by acceptance as evidence for adverse conditions for MBE/WBEs.

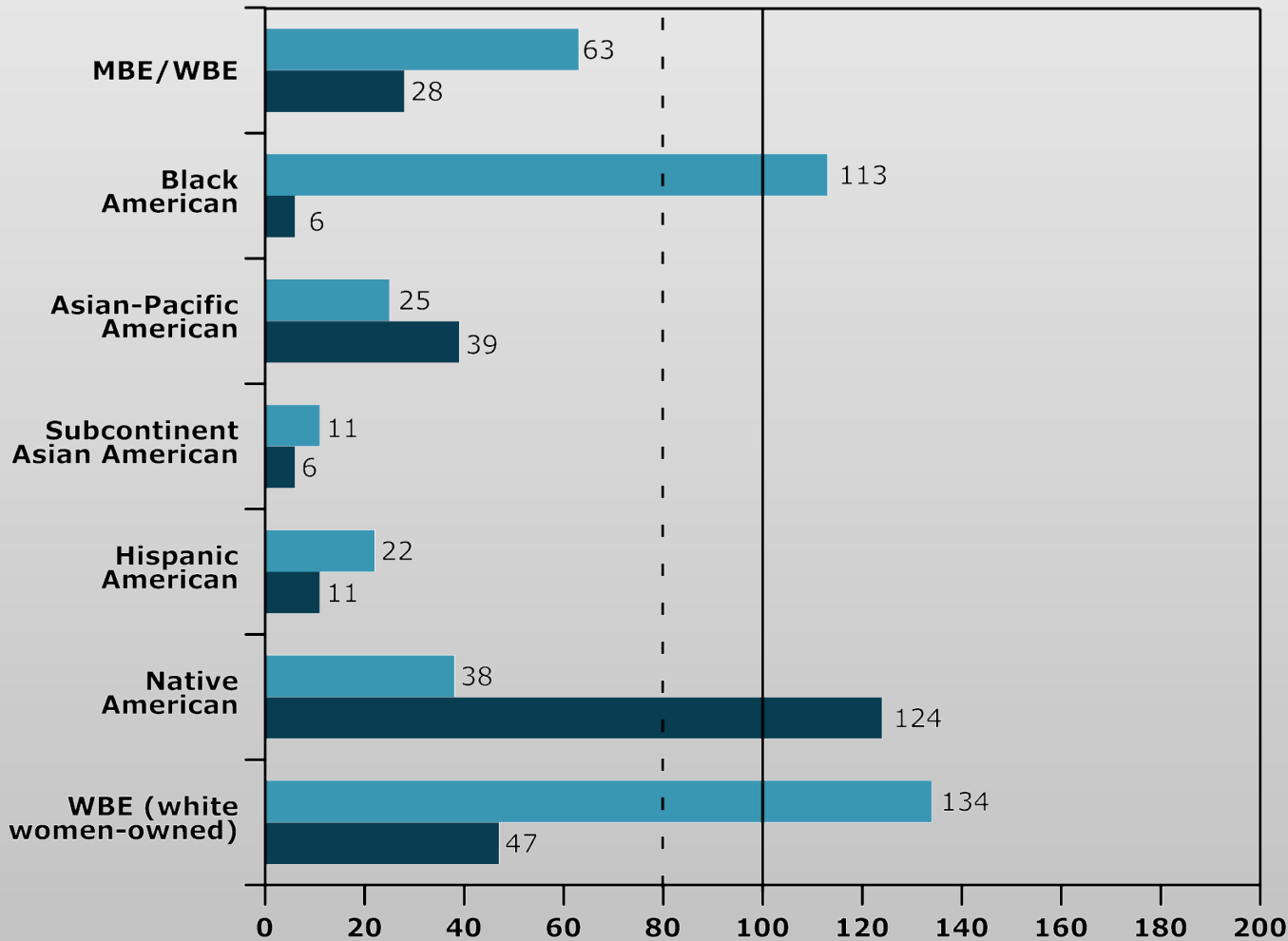
Overall Disparity Indices



- Disparities of 100 or more include *parity*
- Disparities of 80 or less considered *substantial*

Results by Type of Contract

Construction Construction-related Professional Services



- Disparities of 100 or more include *parity*
- Disparities of 80 or less considered *substantial*

**Construction-related Professional Services includes architectural and engineering contracting.

General Observations

- Use results to set overall DBE goal, inform program measures
- Consider tracking participation of MBE/WBEs
- Ensure SBE/DBE/MBE/WBEs receive committed work
- Enforce prompt payment policies
- Explore partnerships to encourage MBE/WBE participation

OSR Recommendations and Next Steps

- Assist Port division leaders in setting meaningful annual small business and MBE goals
- Develop and Implement a Training & Capacity Building Program (Accelerator program)
- Rebrand and refresh the Port's Small Business Program to "Small Business & Inclusion Program"
- Update the Small Business Resolution (No. 3618)
- Consider Race-and-Gender conscious within our Federal DBE program



Recommendations and Next Steps Continued

- Continue collaborative work with stakeholders:
 - Public Agencies
 - Small Business Group, which includes:
 - Community Representatives
 - Capital Development Division
 - Central Procurement Office
 - Commission Office
- Report back to Commission on outreach progress in 6 months
- Conduct another disparity study in three-five years



Thank you!

Questions?

