

# Commission 2018 Budget Priorities

Equity and Associated Policies:  
Priority Hire, WMBE, Quality Jobs

# Addressing Historic Inequities

- Equity Lens
- WMBE Policy
- Workforce Disparity/Priority Hire
- Job Quality

# Equity Definition

- Equity refers to equal economic, political and social rights and opportunities.
- In 2016 the Port's executive team made a commitment to become an anti-racism organization that courageously addresses obstacles to and opportunities for increasing equity in the agency's policies, procedures and practices.

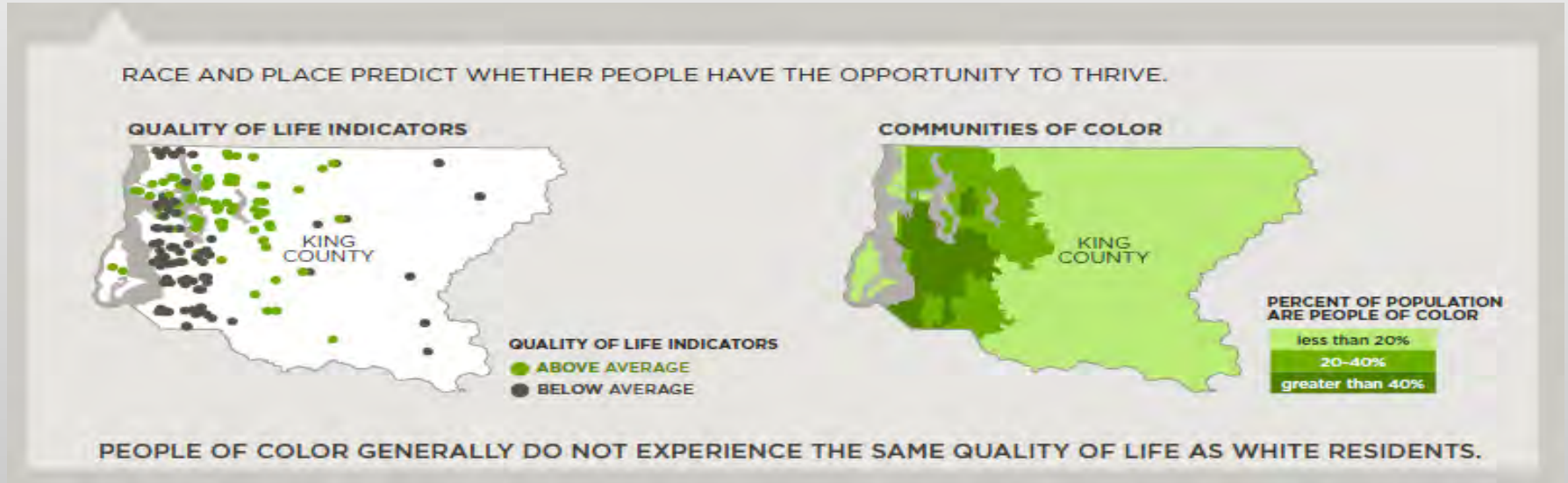
# Equity Context

- We recognize the negative impact of institutional and structural racism. Building capacity to address racism will improve our ability to recognize and address other forms of discrimination such as sexism and heterosexism.
- At the Port of Seattle, diversity is viewed as a source of possibility and strength. It is not an initiative or campaign. Rather, it is integral to policy, processes and programs that are woven into all daily activities within the port community. This effort is integral to:
  - The core values of the organization
  - Pursuing our mission and the Century Agenda
  - Attracting and retaining talent with shared values
  - Improving the quality of work-life integration
  - Sustaining an environment that treats people and communities fairly and equitably

Diversity is a strength for the organization

# Race and Place Matter

Source: King County Office of Equity and Social Justice

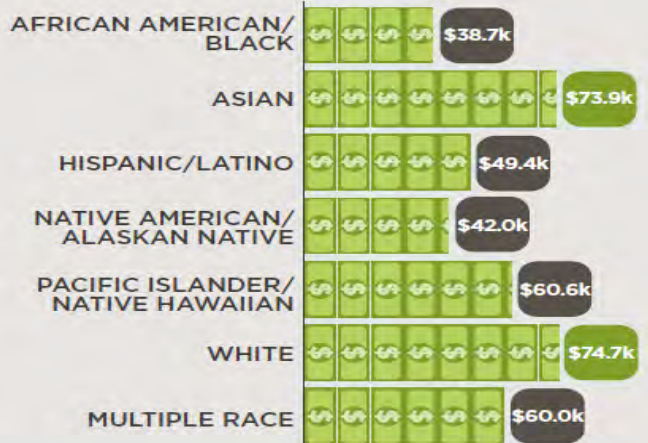


# A Closer Look: Income by Race & Place

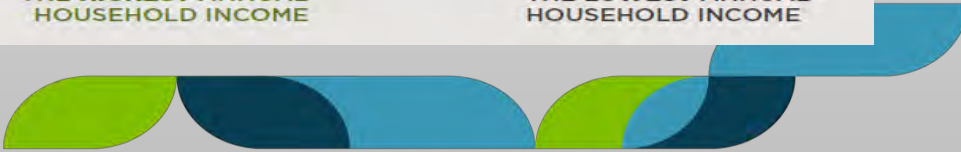
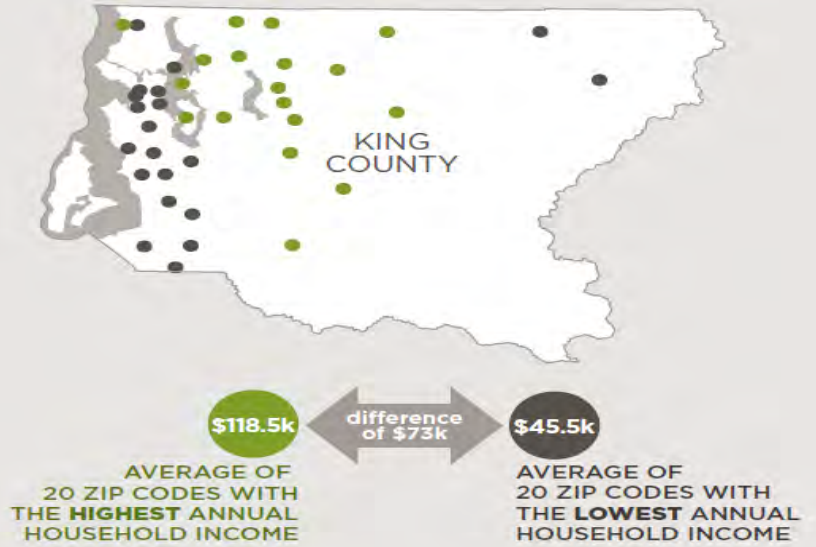
Source: King County Office of Equity and Social Justice

## BY RACE

■ ABOVE KC AVERAGE  
 - - KC AVERAGE: \$71,175  
■ BELOW KC AVERAGE



## BY PLACE



# Equity Status Update

October 2016 - POS ELT attends *Undoing Institutional Racism and* establishes commitment to build an anti-racist Port of Seattle

January –August 2017 - ELT and other Port leaders met with equity leaders from the City of Seattle, King County, the Government Alliance on Race and Equity, and Nike to explore effective approaches to equity, diversity and inclusion.

April 2017 - The Port joins The Government Alliance on Race and Equity (GARE), a national network of governments working to achieve racial equity and advance opportunities for all

May 2017 - A cross-port design team meets to begin work on the Port's Model of Equity, Diversity and Inclusion  
Human Resources pilots a training for employees on Institutional Racism and Courageous Conversations


May 2017 - Energy and Sustainability Workgroup of the POS Commission recommends establishing a POS Equity policy

# Equity Next Steps

July 2017 - Complete request for staffing and funding



December 2017 - Complete Model Design, establish content of POS Equity Policy with GARE support and community engagement



December 2017 - Identify a “Home” for the resources



2018 - Pilot the Model in three (3) departments and evaluate



# Priority Hire Definition

- Community workforce provision in Project Labor Agreements
- Establishes hiring/utilization goals to increase women, people of color and those from economically distressed ZIP codes
- Union halls agree to dispatch Priority Hire workers out of order
- Provides contractor access to a trained workforce
- Creates economic growth in economically distressed areas
- Why partnership is important (next slide!)

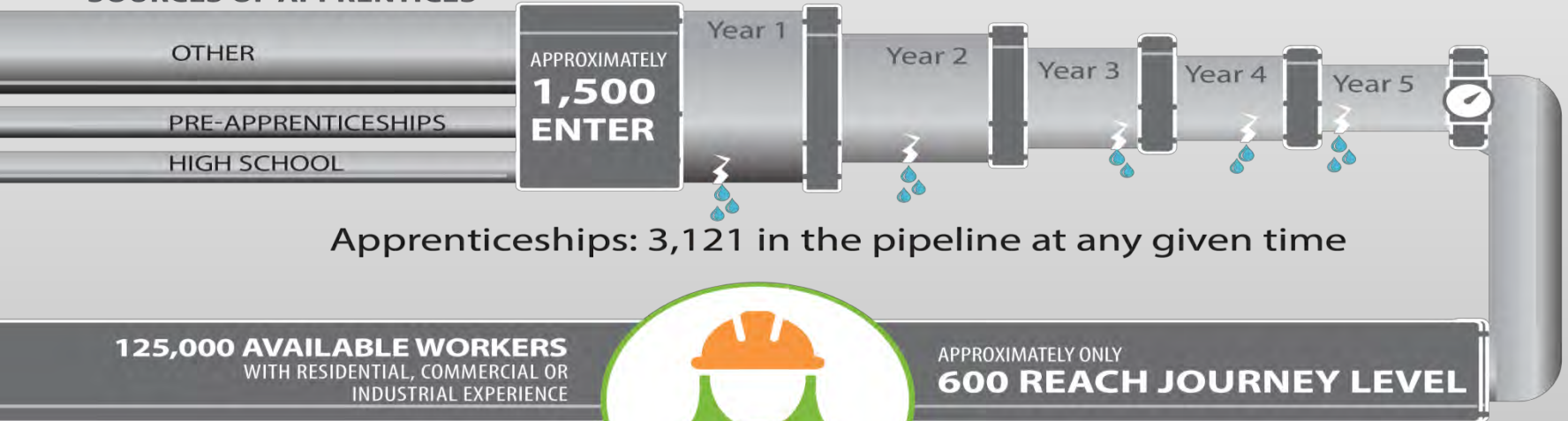
# Priority Hire Context

- City of Seattle and King County Priority Hire presented at Projects and Procurement Committee
- Partnership with Regional Public Owners group to develop strategies to strengthen and diversify the apprenticeship pipeline across the region
- Initial investments in Community Outreach and Referral
- Regional supply-demand study in process

# Priority Hire Helps Fill Workforce Pipeline

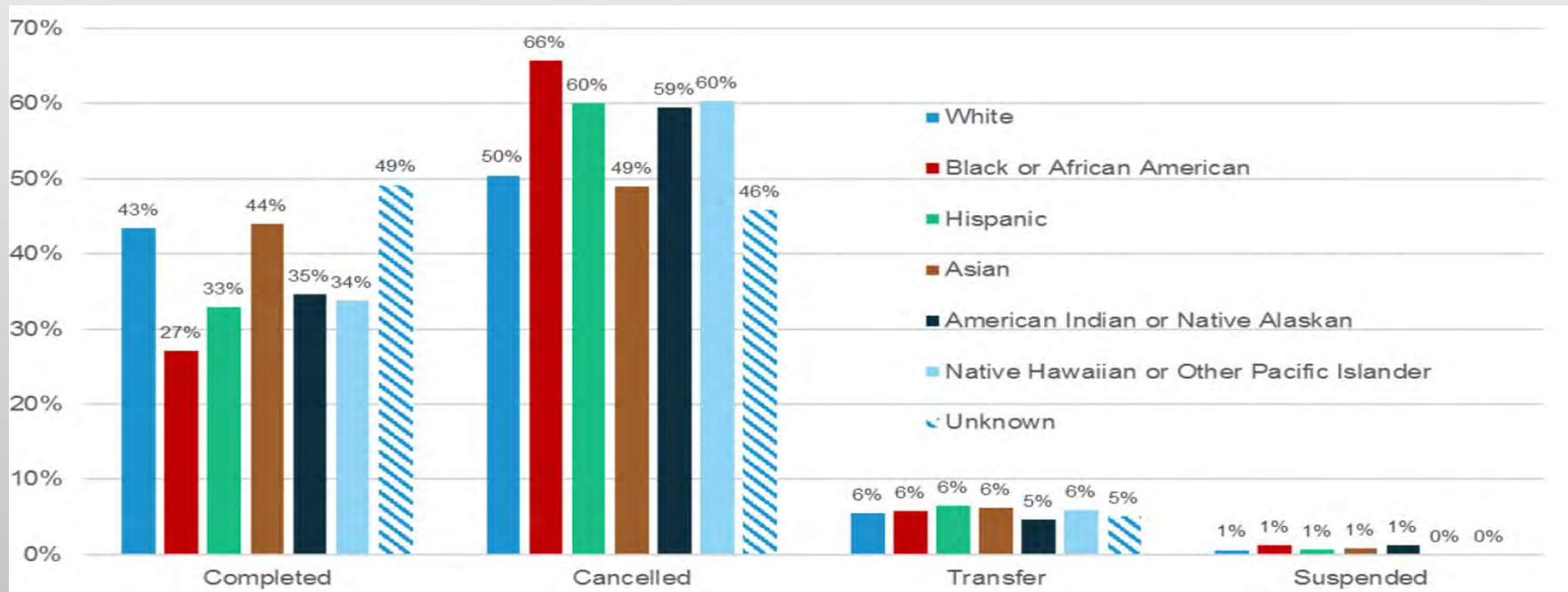
## CHALLENGE KEEPING THE SKILLED WORKER PIPELINE FILLED

### SOURCES OF APPRENTICES



Only **40%** Graduate to Journey Status  
• 33% of people of color • 32% of women

# Construction Apprenticeship Status Disaggregated by Race



King, Pierce and Snohomish Counties; 2011-2015 average

Source: Washington State Department of Labor and Industries, 2016; Community Attributes Inc., 2016.

# SOLUTION PARTNER TO ACHIEVE SCALE & IMPACT

## STRENGTHEN & EXPAND THE PIPELINE FOR LOCAL WORKERS



- **Expand** pathways to apprenticeships
- **Strengthen** retention and completion rates
- **Align** & champion efforts for greater diversity
- **Share** accountability for common outcomes



City of Seattle



Washington State  
Department of Transportation

Port  
of Seattle



King County

SOUNDTRANSIT



Tacoma

# Priority Hire Next Steps and Resources

## Next Steps

- Stakeholder Engagement
  - Community, Labor, AGC, contractors and Small & Minority Owned Businesses
  - Focus Groups with apprentices of color
- Develop Internal Processes and Requirements
- Identify Internal Infrastructure Needed for Success

## Resources

- Additional FTEs may be needed to support new functions within Economic Development and Capital Development
- Port Staff will know what type of resources are needed to implement the policy by late September

Priority Hire Policy Directive will be brought to Commission along with budget ask

# WMBE Policy Working Definition

- Every procurement greater than \$299K includes a WMBE goal
- Setting Division level goals for performance and accountability
- Bids not meeting or exceeding WMBE goals are considered non-responsive
- Strict payment terms
  - Primes must agree to prompt payment terms (whether or not their invoice has been paid by the City of Seattle)
  - Contract award recipients must submit utilization reports in order to receive payment

# Small Business and WMBE Context

- Small business utilization numbers are good
- Disadvantaged business results are not:

Port of Seattle	5.3% (WMBE)	All Certified and Self-Identified
Sound Transit	15.7% (DBE)	Construction and A&E Only
City of Seattle	15.8% (WMBE)	All Certified and Self-Identified

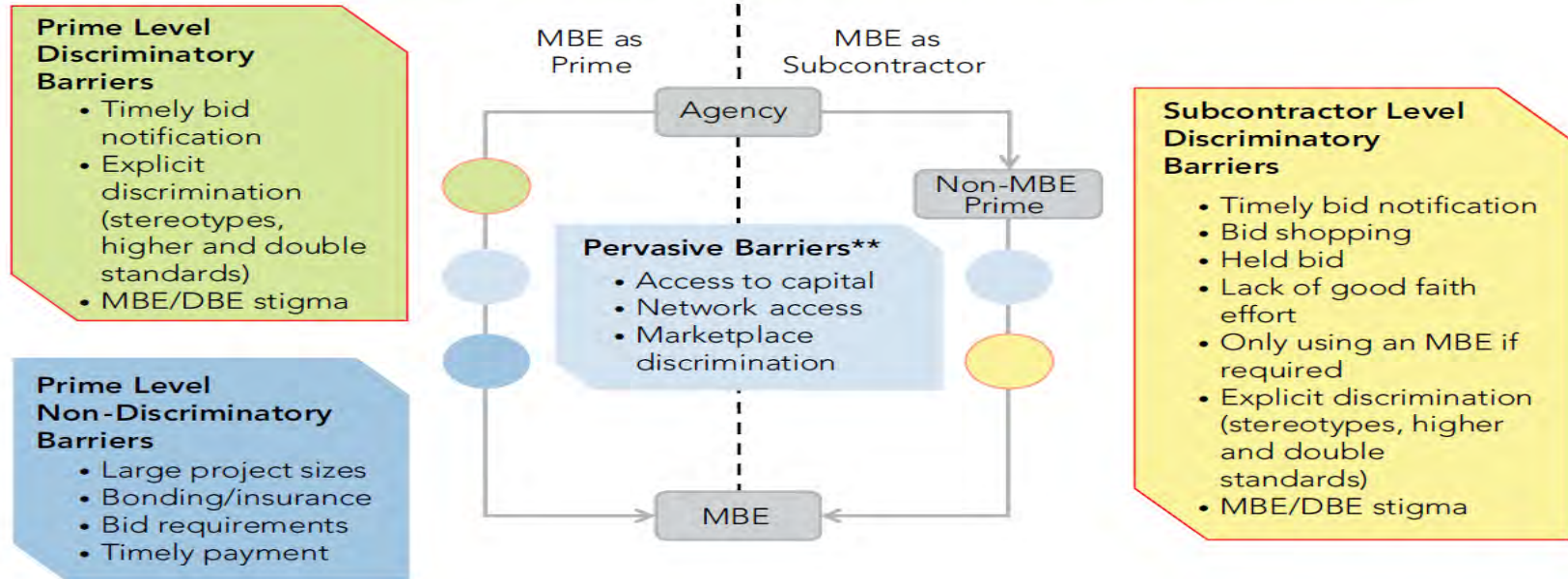
New policy can address disparities and level playing field



# WMBE Context

FIGURE ES-2

## MOST FREQUENTLY CITED CONTRACTING BARRIERS FACING MBES



\*\*Access to Capital and Network Access barriers can arise due to both discriminatory and non-discriminatory reasons and also influence non-discriminatory barriers such as bonding and insurance

# Small Business Next Steps

## 1. Immediate Steps to Improve Opportunities for Small Business

- Continue to offer “PortGen” training sessions for small businesses (typically focused on specific bid opportunities)
- Develop and distribute list of WMBE firms to Port staff with purchasing authority
- Simplify contract terms for small works projects

## 2. Steps to Implement by end of 2017

- Adjust insurance endorsement requirements for Small Works and IDIQ consulting contracts until work order/service directives issued. For Major Construction the Port will get insurance endorsements as well as performance and payment bonds after contract execution and before physical work begins.
- Clarify consulting contracts reimbursements for time associated with AV badges.
- CPO to work with Risk Management on insurance requirements and consider reimbursing firms for extra or special insurance (such as insurance for driving in AOA).

WMBE/Small Business Policy Forums to Guide Policy Development

# WMBE Next Steps and Resources

## 1. Small Business Policy Forums

- Initial meeting on June 13<sup>th</sup> with small businesses do and do not have experience contracting with Port
- Ethnic community leaders meeting on July 20<sup>th</sup> to get input on Port proposed WMBE policy
- Two more meetings proposed to get input on proposed new small business resolution

## 2. Update the Port's small business resolution (3618) in Q4 2017

- Write resolution based on input from key stakeholders
- Draft resolution should be ready for initial review by Commission in late September

## 3. Implement City of Seattle's Small Business Utilization Best Practices 2018

- Port staff team meeting with Seattle staff to identify implementation objectives
- Organizational changes/enhancements identified by September

## 4. Resources

- City of Seattle uses WMBE specialists to drive success. The Port may need to add 4-5 FTE to implement a WMBE small business policy
- Additional FTEs may be needed to support new functions within CPO and Capital Development
- Port staff will know what type of resources are needed to implement in September

# Quality Jobs Current Definition

- Living Wage
- Health Care (Affordable Care Act Compliant)
- Other Benefits (PTO, Retirement, Education)

Weighing Costs and Regional Definitions

# Context

November 5, 2013

Voters of the City of SeaTac adopted Proposition 1 which established minimum standards for wages

October 7, 2014

King County Ordinance 17909 address income inequality though requirement that a living wage be paid to county employees and to employees of certain county contractors

November 25, 2014

Port Commission adopted motion regarding quality jobs, service and employment continuity within the Sea-Tac Airport Dining and Retail (ADR) program.

April 1, 2015

City of Seattle Minimum Wage Ordinance went into effect

Minimum wage and living wages

# Status Update

- Quality Jobs Initiative
- Motion on Quality Jobs for ADR (2014)
- Commission Retreat Quality Jobs Discussion (June 27, 2017)
- Quality Jobs Staff Working Group (first meeting on July 20, 2017)

# Next Steps

- Port Staff Working Group to provide a recommendation to Commission

Q4 2017

- Port-wide Quality Jobs Policy Directive

Q4 2017

- Quality Jobs program development for contracts  
Identifying resources (FTEs/budget) required for a program (Q3 2017)

Q1 2018

- Quality Jobs program execution phase 1