



**COMMISSION
AGENDA MEMORANDUM**

Item No.

7b

BRIEFING ITEM

Date of Meeting

November 28, 2017

DATE: November 17, 2017

TO: Dave Soike, Interim Executive Director

FROM: Aaron Pritchard, Commission Policy Manager
Teresa Delicino, Director, Small Business Development
Nora Huey, Director, Central Procurement Office

SUBJECT: Port of Seattle Women and Minority Business Enterprise Policy Briefing

EXECUTIVE SUMMARY

The Port of Seattle Commission is currently reviewing a proposed Women and Minority Business Enterprise (WMBE) policy to increase women and minority business opportunities. The policy is designed to increase both the percent of contracting dollars paid to WMBE firms as well as the number of WMBE firms under contract. The policy also seeks to expand opportunities for WMBE's, both to avail the opportunities created by the Port through our economic develop power and to encourage and promote access to Port facilities. The Commission is currently scheduled for first reading on the proposed policy on November 28, 2017.

POLICY SUMMARY

Establishes Executive level accountability that drives performance across the Port

- Requires Divisions/Departments to establish goals and performance targets (# firms and % of spend). Goal setting to align with budgetary processes 2018, to inform Annual WMBE Plan early 2019.
- Enhances contractor compliance
- Includes WMBE inclusion plans in contracting. Identify covered contracts to pilot 2018, full implementation 2019.
- Supports prompt pay.
- Creates governance and organizational structures that unify and guide Port implementation efforts to include clear lines of responsibility and accountability for implementation of the WMBE Program and WMBE liaisons.
- Expands opportunities beyond Port contracting to include other Port enterprise opportunities

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SUPPORTING MOTION TO AMEND CENTURY AGENDA

The Century Agenda Strategy 3 currently states that the Port will:

3. Use our influence as an institution to promote small business growth and workforce development.

Priority Actions 10 and 11 that support this goal state:

10. Increase the proportion of funds spent by the Port with qualified small business firms on construction, goods and services to 40 percent of the eligible dollars spent.

11. Increase workforce training, job and business opportunities for local communities in maritime, trade, travel and logistics.

Proposed Century Agenda updated language:

3. Use our influence as an institution to promote small business growth, woman and minority owned business growth, and workforce development

10. Increase the proportion of funds spent by the Port with qualified small business firms on construction, goods and services to 40 percent of the eligible dollars spent.

11. Triple the number of WMBE businesses utilized in Port contracts and increase participation of WMBE firms to 15% of the total.

Key Policy Question

Should the Port of Seattle continue a small business focus as well as a new WMBE focus?

BACKGROUND

The Port of Seattle 2012 disparity study showed a disparity in Port utilization of minority contractors in airport construction and construction related projects. While the Port has made efforts since 2003 to increase WMBE utilization, we have been unable to meet our goals for contracting with WMBE Port-wide. Our 2016 performance of 5.3% WMBE utilization falls behind other public sector entities that are achieving 12-16%. The Port of Seattle Commission held three community outreach meetings in 2017 to solicit input on how to improve small business contracting and to increase WMBE utilization.

The Executive Leadership Team has heard directly from the City of Seattle on its successful program and the Economic Development Division and procurement department have done significant work to prepare to implement this policy and increase WMBE utilization. The attached policy reflects the input from stakeholders, port-wide efforts to better understand

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implementation and Commissioner input to ensure greater accountability and specific outcomes.

Two full time staff positions have been added to support this new policy and program. Additional staffing resources will likely be needed in mid-2018. The need and approval for these positions will be made by the Executive Director.

ATTACHMENTS TO THIS BRIEFING

- (1) Draft Resolution Attached
- (2) Presentation slide

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 24, 2017 - Port of Seattle Women and Minority Business Enterprise Policy Review

July 12, 2017 – Commission Budget Priorities, Building Economic Opportunity in
Underserved Communities

March 28, 2017 – Small Business Development Update

March 22, 2016 – Small Business Utilization briefing

December 14, 2014 – Disparity Study briefing

August 19, 2014 – Small Business Utilization briefing

January 26, 2010 – Adoption of Resolution No. 3618 concerning small business utilization