



**TKW Audit Report Summary**  
Office of Social Responsibility  
Updated: 2/2/2009

<p>12.</p> <ul style="list-style-type: none"> <li>• <i>Establish a centralized organizational unit to support the SBI program.</i></li> </ul> <ul style="list-style-type: none"> <li>• <i>Develop and implement a detailed strategy to achieve the Resolution and Plan objectives and goals.</i></li> </ul>	<p>12a. Organizational responsibilities for the Port of Seattle's Small Business Initiative (SBI) is decentralized throughout the Port and further distributed amongst several employees. As such, centralizing the SBI program will take analysis and evaluation of impacts and benefits.</p> <p>12b. The Port agrees to develop a strategy to achieve the Resolution and Plan objectives and goals.</p>	<p>12a.</p> <p>12b.</p>	<p>Caswell-Isley</p> <p>Elaine Ko</p>	<p>1/1/08 COMPLETED</p> <p>04/1/09 to be completed</p>	<p>a. The Chief Executive Officer looked at broader organizational changes to enhance the Port's social responsibility including the SB program. This examination began mid-2007 and the result was the formation of the Office of Social Responsibility (OSR). In January 2008, Elaine Ko was hired as the Director for the office.</p> <p>b. OSR is currently revising and rewriting Resolution 3506 which entails extensive review and input from Port-wide staff. The new Resolution will cover all capital construction, service agreements (professional/personal), good/services and include prime and sub-tier contracting. Concurrently, OSR is in the process</p>
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					of writing procedures to be implemented soon after Commission adoption of the new Resolution, slated for 1 <sup>st</sup> Quarter 2009. OSR will direct the development of annual work plans as part of Port-wide business plans and budget proposals.
13.					
<ul style="list-style-type: none"> <li><i>Clarify roles and responsibilities and expectations of staff regarding the SBI.</i></li> </ul>	We will begin to analyze and evaluate centralizing the SBI functions in a broader organizational review. Roles and responsibility clarification will be incorporated into this broader organizational review.	13a.	Elaine Ko	1/2009 COMPLETED	a. OSR has completed the process of re-evaluating staff roles and responsibilities, both within the newly created OSR, CPD/CPO. The major roles and responsibilities will be outlined in the Resolution and Plan.
<ul style="list-style-type: none"> <li><i>Ensure staff has the necessary skills, knowledge, and resources to carry out their responsibilities to implement the SBI Plan.</i></li> </ul>		13b.	Caswell-Isley	2nd Qtr 2009	b. Staff developed and delivered a formalized SB training for procurement staff. OSR will be developing a formalized training curriculum for the entire Port organization once the Resolution and Plan is completed. The external training phase shall begin in second quarter 2009. If additional resources are required, this may be captured in the 2010

<ul style="list-style-type: none"> <li>• <i>Include the achievement of SBE goals as a criterion of performance evaluation for division managers and other staff as appropriate.</i></li> </ul>		13c.	Elaine Ko	4/1/2009 To be in Policy Resolution	<p>budget cycle request.</p> <p>c. In 2009 and annually, small business targets are part of all division/department annual work plans. If CEO wishes to include SB goals as part of director, manager, and staff performance evaluations, this shall be in the Commission Policy Resolution. OSR shall audit all division/department targets and achievements.</p>
<p>14.</p> <ul style="list-style-type: none"> <li>• <i>Develop and publish Agency-wide policies and procedures for implementing the SBI.</i></li> <li>• <i>Formalize training on the implementation of the SBI program.</i></li> </ul>	Management agrees with this recommendation .	14a.	Frances Youn	2nd Qtr 2009	<p>a. OSR is in the process of establishing policies and procedures. Review and rewriting of policies and procedures is underway with targeted completion in 2<sup>nd</sup> Quarter 2009. Port-wide training will be scheduled.</p>
		14b.	Tina Boyd	Begin 1 <sup>st</sup> Qtr 2009 and throughout 2009	<p>b. Port-wide training on SB policies and procedures will be done in three arenas: 1) OSR/SB training; 2) CPO-1 training currently underway now; 3) Small Works training currently underway now, 4) revised PUR 1 to be done in 2009.</p>

<p>15.</p> <ul style="list-style-type: none"> <li>• <i>Review Agency numerical goals on an annual basis.</i></li> <li>• <i>Establish specific agency-wide numerical goals by contracting category or business unit.</i></li> <li>• <i>Require each division to establish a Small Business Utilization Plan on an annual basis and report outcomes.</i></li> <li>• <i>Compile individual Small Business Utilization Plans into an Agency-wide Plan.</i></li> </ul>	<p>We do not believe the 10% goal should be revised until the Port implements its management actions resulting from this audit.</p>	<p>15a. and 15b.</p> <p>15c.</p> <p>15d.</p>	<p>Rene Finnie</p> <p>Rene Finnie</p> <p>Rene Finnie</p>	<p>COMPLETED</p> <p>2<sup>nd</sup> Quarter</p> <p>COMPLETED and ONGOING</p>	<p>a/b. OSR has established is a process to set annual targets. This process consists of (1) an annual internal Port-wide survey to gain staff input; (2) compiling data and looking at past performance levels, and (3) determine appropriate targets on both Division and Port-wide levels. The Port-wide overall target of 10% remains for 2009. 2008 data will be compiled during 1<sup>st</sup> Quarter 2009.</p> <p>c. OSR is recommending to CEO/Commission that the Port adopt policy that allows Small Business MANDATORY utilization participation, the form of which may vary, and to apply to all types of contracting.</p> <p>d. Each division and department submits their annual Small Business targets with their budget submittals. Monthly, quarterly, and annual reports should be reviewed by department and division managers, and OSR shall review these reports for progress and compliance purposes. OSR shall provide assistance to departments as needed.</p>
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<p>16. <i>Formalize and educate staff on the definition of “goods and services.”</i></p> <ul style="list-style-type: none"> <li>• <i>Formalize and educate staff on the definitions of SBE’s, MBE’s, WBE’s, and DBE’s.</i></li> <li>• <i>Track SBE participation using MBE, WBE, and DBE, and other SBE subcategories.</i></li> <li>• <i>Apply definitions consistently Agency-wide.</i></li> </ul>	<p>We will brief the Port Commission on the SBI program, review current program definitions and measures, and seek policy clarification on program elements.</p>	<p>16a. and 16b.</p> <p>16c.</p> <p>16d</p>	<p>Tina Boyd</p> <p>Frances Youn</p> <p>Elaine Ko</p>	<p>2nd Qtr 2009</p> <p>COMPLETED</p> <p>1<sup>st</sup> Quarter 2009</p>	<p>a/b.The Commission SB Resolution, new upcoming CPO-2 Procedure governing “goods/services”, and new upcoming OSR Policy/Procedure will all incorporate definitions. Will be included in all formal trainings of staff.</p> <p>In addition to SBE, MBE, WBE, and DBE, OSR would like other subcategories to be tracked such as Veterans, Persons with Disabilities, and Lesbian/Gay/Transgender/ Bisexual (LGBT).</p> <p>a. Policy clarifications will be disseminated agency-wide upon Commission approval.</p>
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<p>17. We recommend the Port of Seattle develop and implement an Agency-wide SBE assistance plan including the identification of internal and external resources.</p>		17.	Elaine Ko	COMPLETED	<p>Port joined Regional SB Development Program which provides comprehensive SB assistance to external small businesses including (1) technical assistance on Small Works and Major Construction projects, (2) Bonding Assistance Program, (3) free training classes. OSR is working with a number of external partners such as Prosperity Partnership, Tabor 100, OMWBE, NW Minority Business Council, Urban Enterprise Center, African Chamber, Vietnamese Chamber, Hispanic Chamber, Filipino Chamber, Seattle Public Schools on numerous SB assistance programs.</p>
<p>18.</p> <ul style="list-style-type: none"> <li>• Regularly distribute information about successful SBE participation on Port projects.</li> <li>• Establish a regular forum for exchanging information about</li> </ul>		18a.	Tina Boyd	COMPLETED	<p>a. OSR launched its first newsletter Sept. 2008 and includes stories of successful SBE's along with testimonials. This newsletter will be distributed to community partners. Testimonials are also regularly posted on OSR's website.</p>
		18b.	Caswell-Isley	COMPLETED	<p>b. OSR established and is engaged in bi-weekly meetings with CPO office to discuss upcoming opportunities. OSR</p>

<p><i>SBI issues for staff with contracting authority/responsibility.</i></p>					<p>leads a policy/procedure work group; attends the Aviation SB Team bi-weekly meetings; completing its first Port-wide staff survey and will distribute a survey to all attendees at 1<sup>st</sup> Annual Open House on Feb. 1<sup>st</sup>.</p>
<p>19.</p> <ul style="list-style-type: none"> <li>• <i>Develop a centralized tracking system that can be utilized Agency-wide.</i></li> <li>• <i>Clarify the requirements for a monitoring and tracking system, including reviewing the SBE definition and any subgroups within the SBE definition that should be tracked.</i></li> <li>• <i>Establish a team to clarify definitions and what data needs to be tracked</i></li> </ul>		<p>19a.</p> <p>19b.</p> <p>19c.</p>	<p>Boyd/Youn</p> <p>Boyd/Youn</p> <p>Boyd/Youn</p>	<p>Ongoing</p> <p>End of 2009</p> <p>COMPLETED</p>	<p>a. Upgrades to data tracking system to capture “sub-tier SB contracting” postponed due to budget. Minor upgrades to SB and SW Roster will be completed in 2008. CPO looking at major overhaul of Rosters beginning in 2009-2010.</p> <p>b. OSR is working with ICT, CPO, Port-wide and Aviation SB Teams to implement coordinated tracking and reporting that collects data on all contracts to SB, MBE, WBE on prime and sub-tier levels. A Port Small Business size definition and program and operational requirements will be determined by mid-year 2009. One-portal Roster entry system shall be completed in 2009.</p> <p>c. OSR working with CPO, ICT, and Port-wide and Aviation SB Teams on this.</p>



<p><i>and reported.</i></p> <ul style="list-style-type: none"> <li>• <i>Determine what existing Port systems can be used or expanded.</i></li> </ul>		19d.	Boyd/Youn	End of 2009	d. See 19b.
<p>20.</p> <ul style="list-style-type: none"> <li>• <i>Continue to collect and respond to SBE's perceptions regarding the barriers to doing business with the Port.</i></li> <li>• <i>Conduct further review of contracting practices that may limit opportunities for small firms.</i></li> <li>• <i>Un-bundle large contracts, as appropriate to provide additional opportunities for SBE's.</i></li> <li>• <i>Closely monitor open order contracts.</i></li> </ul>		20a.	Tina Boyd	COMPLETED	a. Currently OSR is tracking and monitoring complaints as they are reported; held two external stakeholder which shall be regularly scheduled; conduct annual survey at Open House; and various outreach efforts throughout the year to ascertain feedback from SBEs.
		20b.	Elaine Ko	Ongoing	b. OSR is working with CPO to carefully review contracting procedures for impacts on small businesses.
		20c.	Ko/Finnie	Ongoing	c. Working with CPO and CPD to determine procedures to right-size contracts for SBEs which includes OSR participation in an <u>Acquisition Plan</u> for all construction projects.
		20d.	Rene Finnie	Ongoing	d. Limited competition for Small Works in size of \$35K or less has been developed, consistent with RCW 39.04.155. There will be close tracking of new SBEs getting

<ul style="list-style-type: none"> <li>• <i>Expand and use designated sources for qualified SBE's and actively seek referrals of SBE's from internal and external sources.</i></li> <li>• <i>Set aside contracts exclusively for SBE's where adequate numbers of such firms have the capacity and capability to perform those contracts.</i></li> </ul>		<p>20e.</p> <p>20f.</p>	<p>Tina Boyd</p> <p>Rene Finnie</p>	<p>Ongoing</p> <p>COMPLETED</p>	<p>SW contracts.</p> <p>e. OSR sends out communication to community partners for referrals and conducts extensive outreach initiatives to solicit qualified SBEs.</p> <p>f. Regional SB Development Program features training and working with the Limited Competition for Small Works to allow like-sized small firms with revenues &lt;\$1 M to compete, and the mandatory utilization requirements accomplish the 'set-aside' intent.</p>
<p>21.</p> <ul style="list-style-type: none"> <li>• <i>Formally charter the SBI Team.</i></li> <li>• <i>Establish detailed policies and procedures for the SBI Team.</i></li> </ul>		<p>21a. and 21b.</p>	<p>Caswell-Isley</p>	<p>COMPLETED</p>	<p>a. OSR staffs the SBTeam and is being reorganized to meet changing needs.</p>