

Item No. 9d supp

Meeting Date: June 12, 2018

# Diversity in Contracting



# Diversity In Contracting

**Division Goal  
Setting**

**Contracting**

**Outreach and  
Inclusion**

**Organizational  
Structure**

**Monitoring,  
Reporting &  
Evaluation**

Promoting Equity in Contracting

# Purpose and Goal

**Advance equity and address contracting disparities by increasing the utilization of Women Minority Business Enterprises and other disadvantaged firms**

**Goals:**

1. Triple the number of WMBE firms doing business with the Port
2. Increase to 15% the amount of spend on WMBE contracts within 5 years

**Policy Requirements:**

- Set Division level goals and establish Annual Plans
- Develop Contracting Methods & Tools
- Provide Outreach and Technical Assistance
- Address Organizational Structure/Roles and Responsibilities
- Establish Compliance Elements
- Conduct Monitoring, Reporting and Evaluation

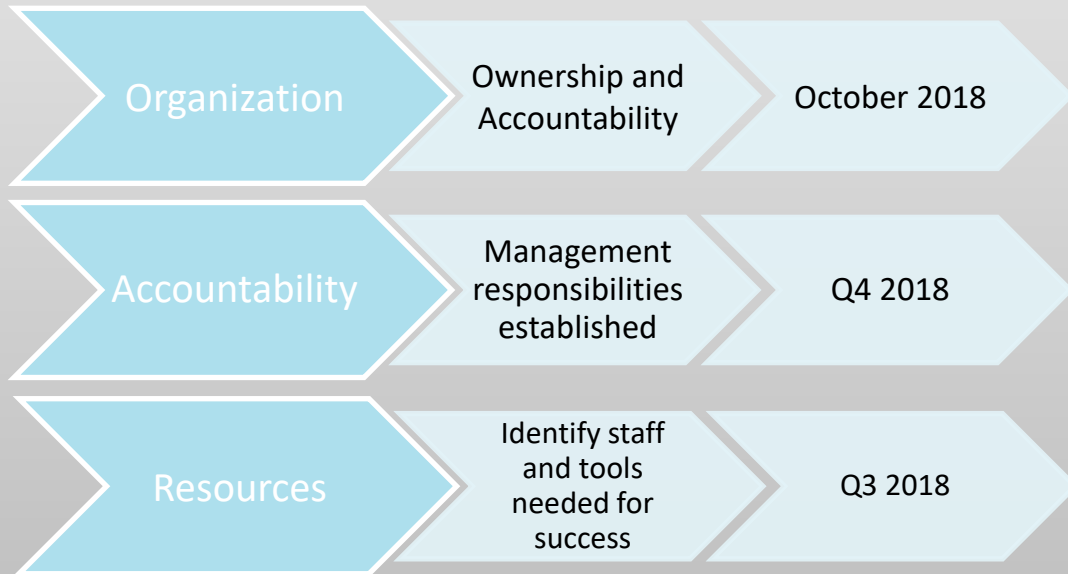
# Key Milestones

Time Frame	Activity
May 2018	Define elements of Diversity in Contracting (DIC) Program: <ul style="list-style-type: none"> <li>• Establish executive level accountability</li> <li>• Establish organizational and governance structure</li> <li>• Divisional goals approach</li> <li>• Contracting Mechanisms</li> </ul>
June 2018	Application to contracting and procurement Kick-off community meetings and messaging
July 2018	Tools developed for setting division/department goals available
July – November 2018	Pilot WMBE contracting and procurement/ <b>apply lessons learned</b>
September- October 2018	Divisions/Departments establish goals
October 2018	Executive/key leadership training (performance goals identified)
January 2019	Management/staff performance goals established
January-February 2019	All divisions submit Annual Plan
January	Annual program evaluation (including lessons learned)
February 2019	Prior year reporting to Commission (annually)
End 2019	Internal audit program review

# Organization & Accountability

## Completed to date:

- ✓ Discussed alignment with broader Port equity work
- ✓ Evaluated organization models at City of Seattle and other jurisdictions
- ✓ Completed evaluation of short term staffing needs



## Next Steps:

- Establish team to finalize organizational charts and management responsibilities for overall program
- Develop training materials to orient ELT and Port leadership about program goals and requirements
- Synch with ePerformance for 2019.

# Port of Seattle Priorities



Aviation



Maritime



Economic  
Development



Corporate

Equity

COMMUNITY

Sustainability

ENVIRONMENT

Safety/  
Resiliency

SAFETY / PREPAREDNESS / RESILIENCY

Fiscal  
Responsibility

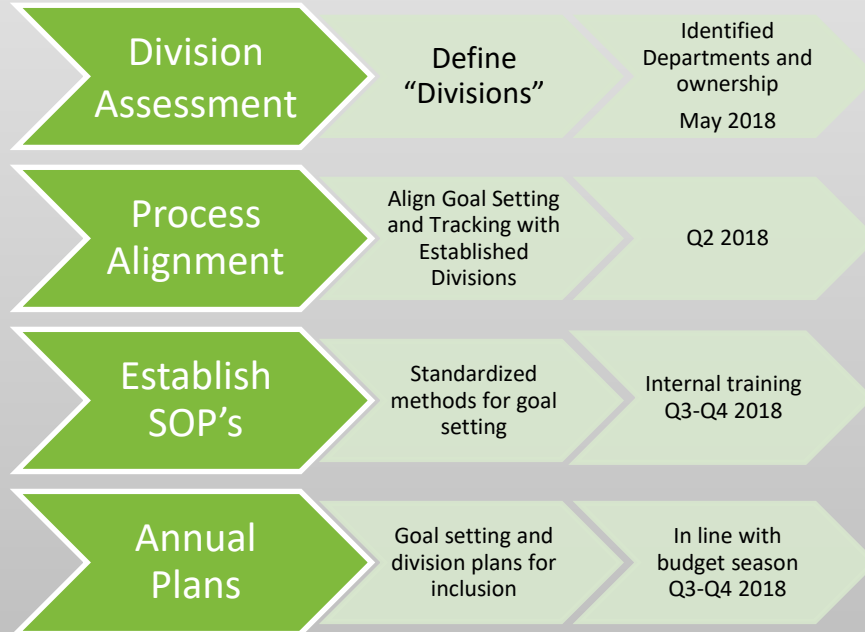
FINANCIAL MANAGEMENT

Lines of Business / Operations / Asset Management

# Department/Division Goal Setting

## Completed to date:

- ✓ Spending tables and tracking tools by Department/Division have been initiated
- ✓ Initiated piloting process to link aspirational goal setting to budget process
- ✓ Identified “departments” for goal setting purposes



## Next Steps

- Pilot goal setting process
- Provide orientation to staff regarding WMBE goal setting
- Establish WMBE goals during budget development

# Annual Plan Cycle

**Aligned with annual budget process**

**Departments identify future procurement needs**



**Liaisons support goals and strategies**

**Departments define aspirational goals for said procurements, and identify engagement strategies**



**Recorded by Division for accountability and tracking**

**Goals and strategies are consolidated into Annual Division Plans**



**Annual Plan provided to Commission with prior year report**

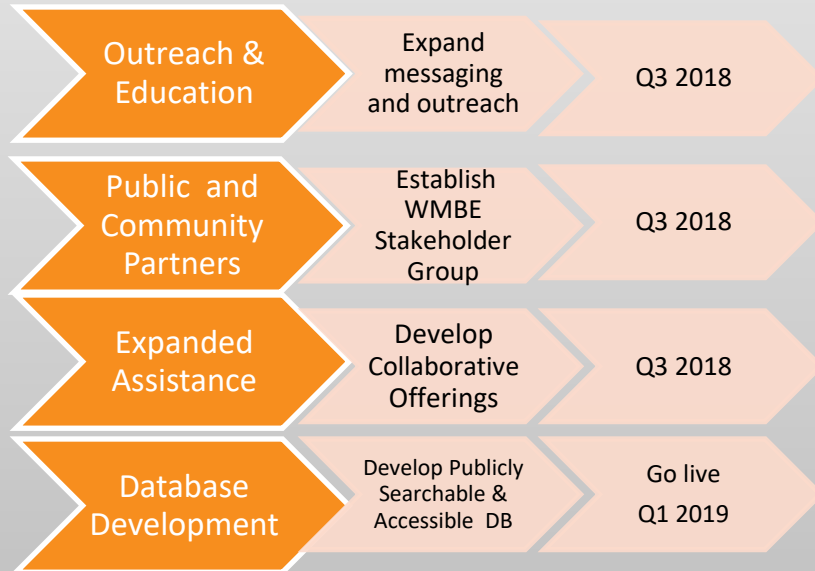
**Division goals and strategies are rolled up into the Port's Annual DIC (WMBE) Plan**



# Outreach and Inclusion

## Completed to date:

- ✓ Development of Supplier/Vendor database in progress
- ✓ Engagement with external agencies to expand suppliers
- ✓ Doubled potential suppliers in contact database



## Strong Results So Far

	2016	2017	% Change
Percent	5.3%	8.8%	66%
Firms	118	200	69%

## Next Steps

- Continued database development
- Continued PortGen offerings
- Organize WMBE stakeholder group

# Outreach Examples

Port of Seattle  
May 2 at 4:27pm · 🌐

It's about working together to support small businesses!

Our employees do their part by wearing personal protective equipment like hi-visibility vests when appropriate, while the Port does its part by working with Ideal Commercial Uniforms, a local small business to supply these vests and other corporate apparel and promotional items.

Learn more about today's #SmallBusinessWeek spotlight at <http://bit.ly/2jrUaHH>.

www.portseattle.org  
PORTSEATTLE.ORG

Like Comment Share

19

Port of Seattle  
10,832 followers  
3w

As part of #SmallBusinessWeek, today we look at our PortGen workshops.

Established in 2016, we created the PortGen workshop to help support s ...see more

13 Likes · 1 Comment

Like Comment Share

Wendy Brant, SPHR  
Passionate Human Resources Leader - EMBA Candidate, Carson College...  
3w

This is great and I am going to ensure a few small business owners I know are aware of this!

Like Reply

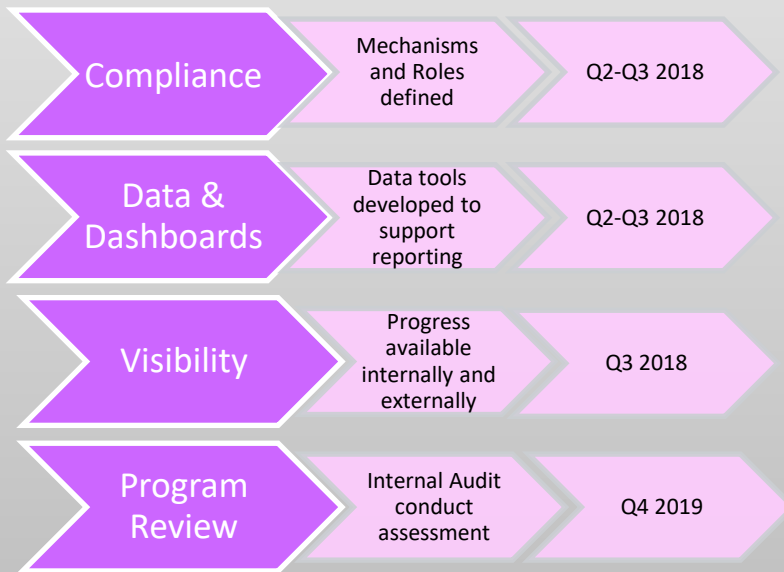
- During Small Business week we promoted small businesses that are part of the Port family and our PortGen workshops.
- Web traffic to our Port small business page **increased 10%** during “Small Business Week.”
- Social media **posts reached more than 11,227 people.**
- Quarterly success stories are being developed.

LinkedIn promotions

# Monitoring, Reporting & Evaluation

## Completed to date:

- ✓ Spending tables and tracking tools by Department/Division have been initiated
- ✓ Process defined for ePerformance alignment to support accountability
- ✓ Diversity in Contracting policy elements have been tied to the Long Range Plan



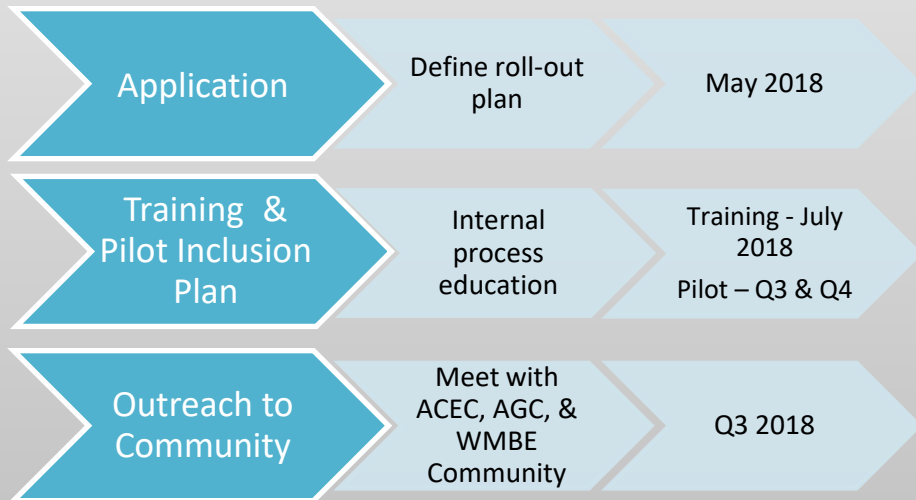
## Next Steps:

- Refine roles and complete responsibility matrix
- Develop dashboard structure
- Establish tools for current and accurate reporting visible to all audiences

# Contracting

## Completed to date:

- ✓ Inclusion plans for Construction and Service Agreements have been drafted
- ✓ Initial outreach to contractor and consultant associations
- ✓ Identified procurement to pilot in 2018



## Next Steps

- Train staff for implementation
- Hire WMBE specialist
- Define & document lessons learned from initial procurements

# Small Dollar Contracts

	P-Card	Direct Buy	3-Quote
Dollar Value	< \$5K	< \$50K	< \$150K (Purchasing) < \$200K (Consulting)
Ability to Purchase Direct with Firm	✓	✓	✗
CPO Manages Procurement	✗	✓	✓

- Greatest ability to directly influence utilization of WMBE firms
- Port-wide P-Card training begins July 2018
- Encourage direct purchasing from MWBE firms
- Reminder: Port cannot provide an award preference based on WMBE status

# Inclusion Plan – Consulting Services

## Port of Seattle

- Establishes aspirational goal per procurement
- Evaluates Inclusion Plan during selection
- Inclusion Plan is part of award decision

## Proposer

- Defines Inclusion Plan for the contract
- Outreach WMBE early during procurement
- Active engagement:
  - Include WMBE in the work
  - Manage subconsultants & prompt pay

## Inclusion Plan (IP) Elements

1. Commitment to MWBE
2. Evaluation of past performance
3. Key person to manage IP
4. Proactive management plan

# Inclusion Plan – Low Bid Construction

## Port of Seattle

- Establishes aspirational goal per contract
- Evaluates Inclusion Plan as a matter of responsibility

## Bidder

- Defines bidder's Inclusion Plan (IP)
- Bidder can supplement IP prior to responsibility decision
- MWBE commitment by firm or by percentage
- Affirmative Efforts = necessary and reasonable action to achieve the aspirational goal.
- Active engagement:
  - Include WMBE in the work
  - Manage subconsultants & prompt pay

## Inclusion Plan Elements

1. Commitment to MWBE; or
2. Demonstrated affirmative efforts; &
3. Key person to manage IP; &
4. Proactive management plan

# Challenges and Recommendations

1. Historic data insufficient to use a “historic plus” approach for construction
  - **Recommendation:** For first 2-3 years (2018-2020) identify aspirational goals on a contract by contract basis. Move to historical plus approach after utilization and data has improved
2. Concerns about increased costs for purchases and time associated with getting quotes for P-Card & Direct Buys
  - **Recommendation:** CPO and Legal will provide training. Port encourages utilization of MWBE firms, cost reasonableness and fiscal accountability.



# Challenges and Recommendations

3. Responsibility for overall effort & alignment with Port-wide equity work
  - **Recommendation:** Assign small team to address alignment to ensure Diversity In Contracting does not lose momentum
  
4. Concerns about increased project costs/capital costs associated with implementation
  - **Recommendation:** Establish team led by CDD to determine how to incorporate cost adjustments

# Challenges and Recommendations

5. Concerns about increased procurement time to address inclusion plan and protests
  - **Recommendation:** Develop process with clearly defined roles. Train dedicated MWBE Compliance Officers to address Inclusion Plan review. Include additional 30+ days for major construction for review, revisions, and potential challenges/protests.

# Looking Forward

1. Continue to gear up to implement Diversity in Contracting across the Port
2. Increase outreach and assistance – work with public affairs to drive interest in program
3. Pilot procurements and contracting to establish basic practices
  - Apply “lessons learned” from key projects
4. Establish One Port accountability, governance and evaluation
5. Assess, Adjust & Improve



Committed to Diversity and Inclusion