

Item No.	7c
Date of Meeting	March 24, 2020

Diversity in Contracting

2019 Results
2020 Plan



Diversity in Contracting (DC) Overview



1. Review Diversity in Contracting Policy
2. Review 2019 Goals
3. Highlight 2019 Results
 - Results by Ethnicity
 - Disparity Study Findings
 - Outreach/Technical Assistance
4. Outline 2020 Diversity in Contracting Goals

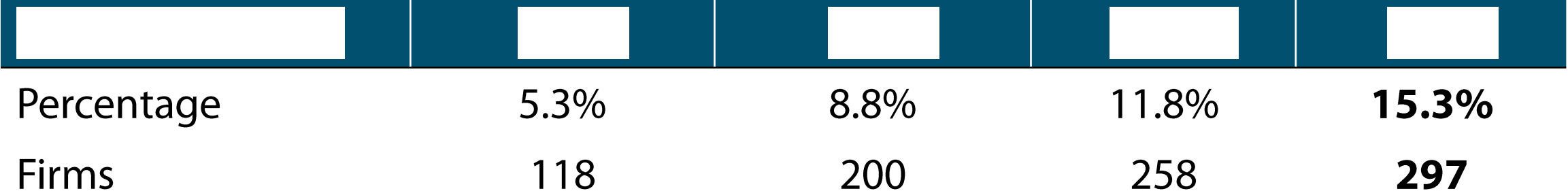
Diversity in Contracting (DC) Policy

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

Goals - 5 year Benchmarks:

- Triple the number of WMBE firms doing business with the Port (2016 Baseline: **118**)
- Increase to 15% the amount of spend on WMBE contracts (2016 Baseline: **5.3%**)

Port Hits Five-Year Goal for WMBE Utilization



**Resolution 3737 Passed*

Moving the Needle:

Outreach and Engagement Efforts

Our strong results are partly based on robust outreach and technical assistance.

PortGen Workshops

- Featured, all divisions Aviation, Economic Development, Corporate. Advanced PortGen workshops for Major Construction and Purchasing.
- Held 11 Events
- Over 400 attendees

Networking Events

- Terminal 46 Networking Event (45 attendees)
- Champion of Inclusion Awards and Business After Hours (200+ attendees)

Marketing and Communication

- Developed WMBE and Diversity Spotlights and Blogs on website and social media

Improved Supplier Database and Reporting Ability



- Created new VendorConnect supplier database
 - Integration with Constant Contact
 - Global calendar showing upcoming Port events
 - More robust list of WMBE firms
 - Searchable by Port and community
- Business Intelligence Hub Reporting Tool

Added WMBE Bid & Proposal Evaluation Criteria

Service Agreements

- Inclusion Plans
- Evaluation of Efforts
- Affirmative Efforts is built into the process

Major Construction

- Bid Tab/Goal Evaluation
- Affirmative Efforts required if goal cannot be met

2019 Port-Wide WMBE Utilization

Construction and Non-Construction

Category	Total Port Spend	Total WMBE Spend	WMBE Utilization%
Public Works (Construction)	\$542,536,412	\$88,284,769	16.27%
Non-Public Works	\$208,837,415	\$26,572,495	12.72%
Total	\$751,373,827	\$114,857,264	15.29%

2019 Port–Wide Construction Utilization

Construction Spend

Division	Total Port Spend	Total WMBE Spend	WMBE Utilization%
Aviation (AV)	\$507,412,826	\$86,484,707	17.04%
Corporate	\$1,425,810	\$189,501	13.29%
Economic Development Division (EDD)	\$1,796,244	\$294,099	16.37%
Maritime Division (MD)	\$5,279,170	\$500,652	9.48%
North West Seaport Alliance (NWSA)	\$26,622,362	\$815,810	3.06%
Grand Total	\$542,536,412	\$88,284,769	16.27%

Port Hits WMBE Utilization Goal

Non-Construction Spend

Aviation (AV)	\$109,725,824	\$15,946,759	12%	14.53%
Corporate	\$68,771,669	\$6,974,864	12%	10.14%
Economic Development Division (EDD)	\$4,760,455	\$668,960	12%	14.05%
Maritime Division (MD)	\$13,203,528	\$2,056,207	20%	15.57%
North West Seaport Alliance (NWSA)	\$9,393,289	\$675,440	--	7.19%
P-Card Unclassified	\$2,982,650	\$250,265	--	--
GRAND TOTAL	\$208,837,415	\$26,572,495	12.45%	12.72%

*WMBE aspirational goals for Construction are not included within the stated goals above, however, WMBE aspirational goals are set contract by contract with the exception of small works.

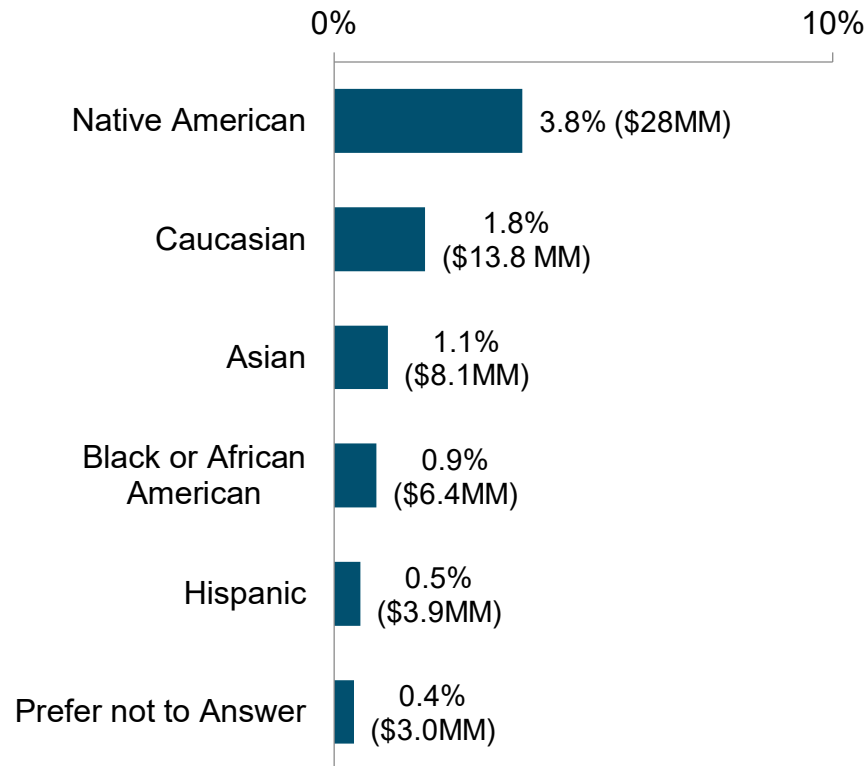
2019 Port–Wide WMBE Utilization

Results By Division

Division	Total Port Spend	Total WMBE Spend	WMBE Utilization%
Aviation (AV)	\$617,138,650	\$102,431,466	16.60%
Corporate	\$70,197,479	\$7,164,365	10.21%
Economic Development Division (EDD)	\$6,556,699	\$963,058	14.69%
Maritime Division (MD)	\$18,482,698	\$2,556,859	13.83%
North West Seaport Alliance (NWSA)	\$36,015,651	\$1,491,250	4.14%
P-Card Unclassified	\$2,982,650	\$250,265	8.39%
Grand Total	\$751,373,827	\$114,857,264	15.29%

2019 Ethnicity and Number Count

Minority share of total Port spend : 6.5%



Number of WMBE firms: 297**



* Respondents stated they are a minority but did not specify ethnicity. Ethnicity data for WMBE firms only.

** Includes P-Card purchases which are not broken down by ethnicity.

2019 Disparity Study Shows Room for Improvement

What is a Disparity Study?

A statistical analysis to determine if race and gender disparity exist in contracting.

Time Period Reviewed

2019 study analyzed contracts issued by the Port between 2012 and 2016.

Contracting Areas Reviewed

Construction and construction related Port contracts.

Results

Overall, WMBE firms were at a significant disparity on Port contracts during the study period.

A Disparity Ratio of 100 percent is considered parity, under 100 signifies disparity, 80 percent and below signifies significant disparity.

Black	149.2%*
Hispanic	24.1%
Asian	13.1%
Native American	29.3%
White Women	14.3%
WMBE	27.3%
Non-WMBE	109.1%

**The study noted that one African-American firm received 84% of the minority contracts, which is an anomaly*



CAUTION
DO NOT ALTER



2020 WMBE Utilization Goals

“Non-Construction” Port WMBE Goal = **14.4%**

			2019 Goal	2019 Actual	2020 Goal
Aviation (AV)	\$8,759,147	\$58,394,317	12%	14.8%	15%
Economic Dev. (EDD)	\$534,740	\$4,020,603	12%	13.2%	13.3%
Maritime (MD)	\$834,647	\$5,564,318	20%	15.1%	15%
Corporate	\$4,017,332	\$29,994,358	12.1%	10.1%	13.4%
Total	\$14,157,486	\$97,973,596	12.4%	12.8%	14.4%

*The Port of Seattle’s Annual Divisional Goals are established on “Non-Construction” spend based on the Outside Service Budgets.

Strategic Efforts for 2020

- Focus on eliminating specific disparities in WMBE utilization
- Sustain DC Goal of 15%+ (2019 – 2023)
 - Maintain commitment to 5-year goal
- Leveraging Small Works (300k and below), and JOC (Job Order Contracting) to increase WMBE utilization
- Enhanced Marketing and Media Efforts (Blogs, Stories)
- Partnering with Minority Community Organizations to notify, track and encourage their members to bid.



Strategic Efforts for 2020

Pilot – Mentor Protégé Program (WMBE and Small Business Firms)

- Pilot Projects (A&E Focus):
 - 2021 Airport Improvement Project
 - Food Truck Project
- Concession
 - Concessionaires Mentor New Concessionaires

Partners: Diversity in Contracting Department. Airport Dining and Retail. Facilities & Infrastructure. Airport Project Management Group, Central Procurement Organization, Prime



