



CITY OF SEATTLE: SOCIAL EQUITY IN PROCUREMENT



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BACKDROP FOR SOCIAL EQUITY

Washington's Initiative 200:

- Nationwide push-back on affirmative action.
- Passed in 1998 with 58% of vote.
- Prohibits racial and gender preferences by state and local government.

City principles promoted unique accomplishments:

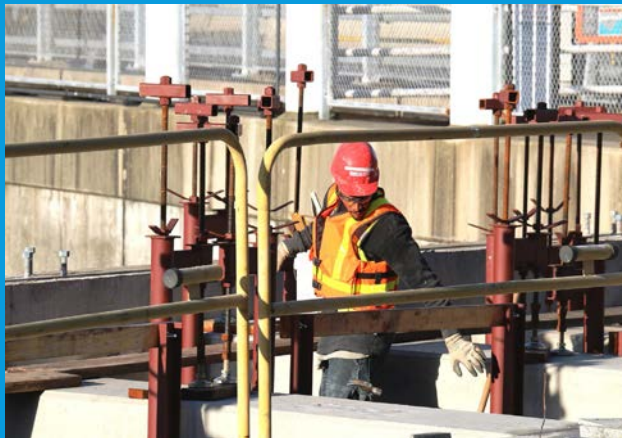
- Risk management rather than risk aversion.
- Legal right to demand “good faith efforts” within I-200.
- Retained a WMBE priority, and uses self-identification.
- Focus on disadvantaged neighborhoods: income, unemployment, and education.



CONTRACT EQUITY PROGRAMS

Contract Equity Programs:

- Women and Minority Business Enterprise program (WMBE) for construction, purchasing, and consulting contracts
- Priority Hire: Workforce equity in City construction contracts



WMBE PROGRAM

Tackling the Effects of I-200:

- Capital Departments establish WMBE Advisors
- City Interdepartmental Team created
- Investing in technical assistance
- Annual Department plans
- WMBE Inclusion Plans for subcontracting



WMBE PROGRAM

Department Annual Plans:

- Tone: Letter to department directors issued by Mayor's Office.
- Scope: Departments must set annual WMBE goals – performance and outreach strategies
- Accountability: Names one department representative who manages WMBE initiatives.
- Review and approval from Mayor's Office
- Capital Departments: WMBE Advisors
- City Interdepartmental Team



WMBE PROGRAM

WMBE Inclusion Plans:

- Project-based plan for subcontracting.
- Aspirational WMBE goals and option of guaranteed contract amounts.
- Contractors choose to support subcontractors through:
 1. Early retainage release when sub's portion of project is complete.
 2. Advance mobilization pay.

10 of 16 points to move forward in bidding process.



WMBE PROGRAM

Executive Order: April 2014

- Setting expectations for the City, pushing for excellency, and increasing accountability.
- Creation of WMBE Advisory Committee.
- Introducing new and creative policy options:
 - Prompt Pay: Primes to pay subcontractors within 30 days, and City to pay primes within 30 days.
 - Increasing cash flow and capacity for subcontractors.



WMBE PROGRAM: RESULTS

Procurement Category	2015 Annual Total Spend	2015 WMBE Utilization Rates
Purchasing	\$366 million	13%
Consulting	\$158 million	15%
Public Works*	\$101 million	19%

*Data includes final, paid invoices on completed projects.



PRIORITY HIRE

- New policy initiative in 2015.
- City construction projects worth at least \$5 million.
- Prioritizes workers living in economically disadvantaged neighborhoods: income, education, and unemployment.
- Includes goals for hiring women and people of color.
- Implemented through a Community Workforce Agreement (Project Labor Agreement).



PRIORITY HIRE

Policy Development Background:

- Community-driven.
 - Rainier Beach Community Center.
- Decision to implement within a Community Workforce Agreement.
 - Enforceable.
 - Predictable.
 - Utilizes union hiring halls.



PRIORITY HIRE

Stakeholder Support:

Small and open-shop businesses

- Bring 5 of their own workers, before hiring from halls.
- Reimbursement for existing health and pension costs.
- Maintain union or open-shop status.

Community

- Funding for training and outreach.
- Goal of 20% overall Priority Hire hours, with project-specific requirements.



PRIORITY HIRE: RESULTS

Seawall: Pilot	Past Performance	Seawall Performance
Priority Hire zip codes	12%	21.7%
Women	4.5%	12.8%
People of Color	25.4%	25.5%

Buried Reservoirs	Past Performance	Reservoirs Performance
Priority Hire zip codes	42% (all outside Seattle)	27.9% (21.6% in Seattle)
Women	3%	7.2%
People of Color	22%	34.5%

Performance is measured in hours worked.



QUESTIONS?

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