



## 2019 SEATTLE PUBLIC UTILITIES WMBE OUTREACH PLAN

### DEPARTMENT REPRESENTATIVE FOR 2019:

Katia Garcia, SPU WMBE Manager

### 2019 WMBE TARGET FOR SEATTLE PUBLIC UTILITIES

For 2019, Seattle Public Utilities (SPU) has established a Woman and Minority Business Enterprise (WMBE) utilization target of, twenty-two percent (22%) for consulting contracts and fifteen percent (15%) for purchasing contracts. SPU's WMBE utilization targets are developed in considerations of performance averages for the past five years and anticipated projects and budgets for 2019.

In 2019, SPU will continue delivering on our promise to provide efficient and forward-looking utility services that keep Seattle the best place to live. Our leadership and staff will continue to prioritize opportunities for inclusion as we deliver on our Strategic Business Plan, and our commitment to innovation, continued learning, dismantling institutional barriers to government contracting and equitable, community-centered approaches.

2019 SEATTLE PUBLIC UTILITIES WMBE UTILIZATION TARGETS	
Consultant	22%
Purchasing	15%

## INTRODUCTION

### POLICY STATEMENT

In accordance with City of Seattle Ordinance #119603 “An Ordinance Directing City Departments To Use Available Tools To Promote Race And Gender Equity In Contracting”, City of Seattle Ordinance #121717 “Equality in Contracting” codified under Seattle Municipal Code Chapter 20.42, Executive Order 2010-05: Outreach to Women and Minority Businesses, and Executive Order 2014-03: Equity in City Contracting, the City of Seattle encourages all of its departments to be inclusive of underrepresented business communities, and strives to use all legal means to see that minority-owned and women-owned businesses do not face unfair barriers in their competition for city contracts and their successful performance of those contracts.

Any voluntary utilization targets established in a Department Outreach Plan shall be reasonably achievable. However, no utilization requirements shall be a condition of contracting, except as may be allowed under Revised Code of Washington (RCW) 49.60.400.

City of Seattle policy requires each city department to develop an annual WMBE outreach plan to provide opportunities for minority-owned and women-owned businesses to gain City contracts and purchasing opportunities. This 2019 WMBE Plan and Targets, briefly explain past performance and highlights strategies that SPU will undertake in its inclusion efforts for 2019.

Katia Garcia, SPU WMBE Manager, will continue to serve as the SPU representative for the City's WMBE Initiative.

## 2018 SPU WMBE YEAR IN REVIEW

In 2018, SPU continued its commitment to the inclusion of WMBE’s across all lines of business. Our leadership and staff prioritized opportunities for inclusion as we delivered on our Strategic Business Plan, and commitment to innovation, continued learning, and dismantling institutional barriers to government contracting in our approach as an equitable community-centered utility.

2018 SEATTLE PUBLIC UTILITIES WMBE INCLUSION				
PURCHASE CATEGORY	TOTAL SPEND	WMBE SPEND	TARGET	ACTUAL WMBE PERCENTAGE
Consultant	\$23.1M	\$5.0M	21%	21%
Purchasing	\$42.4M	\$8.2M	14%	19%

SPU met its 2018 consultant contract target of twenty-one percent (21%), achieving WMBE spend of twenty-one percent (21%).

- Seven percent (7%) went to Minority Business Enterprises (MBEs).
- Fourteen percent (14%) went to Women Business Enterprises (WBEs).
- Consultant contracts included 53 diverse WMBE prime consultant firms.

SPU exceeded its 2018 purchasing target of fourteen percent (14%), achieving WMBE spend at a notable nineteen percent (19%).

- Fifteen percent (15%) went to MBEs.
- Four percent (4%) went to WBEs.
- Purchases included 124 diverse WMBE firms.

SPU has focused on increasing WMBE spend in the consultant roster program which is a simplified contracting tool for consultant services valued between \$50,000 and \$305,000, for 2018. This approach has produced significant success in providing WMBE firms access to opportunities to bid on consultant contracts as a prime and provided firms with an opportunity to build capacity. While WMBE firms comprised 34% of the Roster spend in 2017, that percentage rose to 51% in 2018.

FIGURE 1: SPU 2010 TO 2018 CONSULTANT CONTRACT WMBE SPEND PERCENTAGE

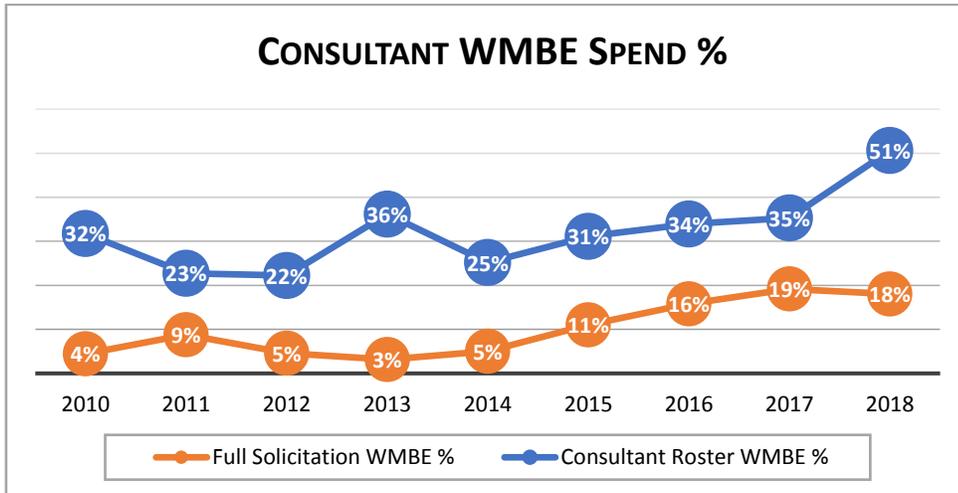
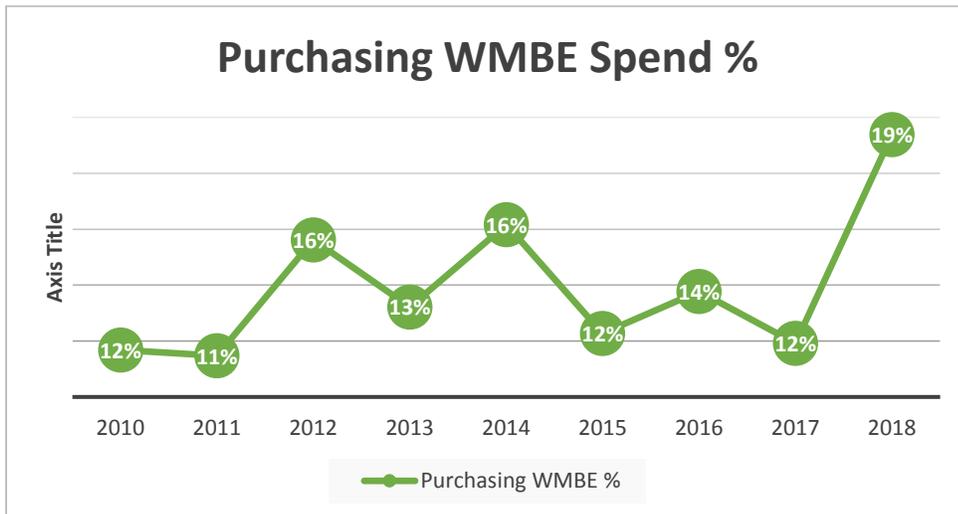


FIGURE 2: SPU 2010 TO 2018 PURCHASING WMBE SPEND PERCENTAGE



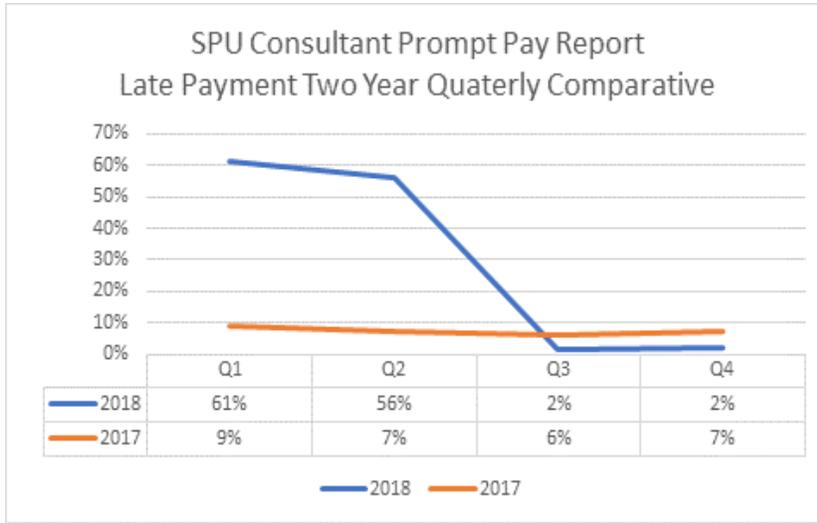
### 2018 KEY TAKEAWAYS

- SPU met or exceeded performance targets for 2018.
- SPU continues to partake in various strategies to create an environment that encourages WMBE firms to compete on more contracts with SPU, leading to sustainability and capacity growth for WMBE participation.
- SPU continues to message the importance of meaningful and intentional partnering and mentoring to primes.
- By increasing the number of firms SPU works with, we see an increase in innovation, creativity, and a healthy competitive environment.

## CONSULTANT PROMPT PAY

Due to technology transitions, in 2018 SPU experienced 27% cumulative late payments for the year. This was below our target of 5% cumulative late payments. However, we made significant improvements each quarter, leading to 2% late payments for Q3 and Q4.

FIGURE 3: SPU CONSULTANT 2017-2018 PROMPT PAY COMPARATIVE REPORT



2018 Cumulative late = 27%

2017 Cumulative late = 7%

Following is a description of SPU’s 2018 prompt payment performance provided by Kathleen Organ, SPU Controller.

### Why was SPU late on so many payments during Q1 & Q2?

SPU payments were delayed due to the PeopleSoft implementation. SPU fully adopted best practices and changed several business processes, which now require:

- Receipts entered in PeopleSoft to certify services were received
- Online invoice review to eliminate routing of paper invoices
- New and more detailed project coding for all consultant invoices and purchase orders
- Use of PeopleSoft contracts module to track contract balances (SPU retired its contract database)

Adoption of the new requirements has been challenging, requiring security rights and on-going training for 100+ project/contract managers. Cut-over of contracts from SPU’s contracts database

into PeopleSoft was more complex than expected. Staff in Contracts and Accounting worked diligently after go-live to fully learn the system and adapt business processes.

#### Why did SPU experience difficulties when other large departments did not?

While all departments implemented PeopleSoft, only SPU, SDOT, and SCL were 'early-adopters' of enhanced procure-to-pay functionality. This means the three departments can use electronic workflow and receipts for all payments. Of the three departments, SPU was the most aggressive in adopting new, modern best practices.

As a result, SPU is different from SDOT and SCL in two primary ways – 1) SPU fully utilizes electronic processes for invoice review and approval and 2) requires project/contract managers to confirm receipt of services directly in PeopleSoft to strengthen internal controls. In contrast, SDOT receives PM/CM approval outside of PeopleSoft and has two dedicated Contracts staff enter receipts. SCL does not enter receipts at all, relying on PM/CM approval of paper invoices. (This will become problematic for SCL as the City's next software release will require receipts for all consultant invoices.)

#### What has SPU done to improve?

In Q2 SPU's SRI Team successfully finished a 4-week "sprint" to catch up on a large invoice backlog and stabilize business processes. Consultant invoices were included in this effort. The recent 4-week sprint placed a strong focus on the need for SPU staff to follow the new business processes. We've seen a significant increase in adoption of new processes and believe security and training issues have been resolved.

The team will continue to monitor the situation and identify problems in the business process, escalating blocking issues to SPU's SRI Steering Committee and Leadership Team as needed.

Consultant Prompt Pay Invoices Paid in 30 Days	
2019 Goal	95%
2018 Actual	73%

For 2019, SPU will pursue a performance metric of 95% compliance to prompt pay. To accomplish this, SPU will take efforts and lessons learned from the PeopleSoft implementation to maintain prompt pay standards. Additionally, SPU will actively engage firms and communicate the City’s prompt pay requirements at SPU sponsored events, contract pre-submittal meetings, newsletters, internal WMBE training, etc.

## JOB ORDER CONTRACTS (JOC)

Job Order Contracting is an alternative to the traditional design-bid-build public works contracting process where instead the City may issue work orders directly to a JOC prime contractor for construction projects up to \$350,000. This allows the City to reduce total lead-time and cost for construction of public work projects for repair and renovation required at public facilities. In 2018, SPU spent \$387,499 on JOC contracts, of which, \$59,194 (15%) went to WMBE firms.

**FIGURE 3: 2018 JOC CONTRACT SPEND**

City Of Seattle City Purchasing and Contracting All Invoices Paid on JOC Work Orders Report 1/1/2018 to 12/31/2018						
Dept.	# of Contracts	City Contract Payment (w/o tax)	Actual MBE Payments	Actual WBE Payments	Total WMBE Payments	WMBE % of City Contract Payment (w/o tax)
FAS	14	\$ 2,143,980.01	\$ 627,834.32	\$ 1,001,349.14	\$ 1,629,183.46	76%
LIGHT	5	\$ 631,549.86	\$ 141,487.68	\$ -	\$ 141,487.68	22%
PARKS	11	\$ 1,278,543.77	\$ 303,484.16	\$ 312,885.77	\$ 616,369.93	48%
SDOT	4	\$ 486,894.30	\$ 374,399.82	\$ -	\$ 374,399.82	77%
SPU	4	\$ 387,499.33	\$ 55,194.00	\$ 4,000.00	\$ 59,194.00	15%
SEACTR	0	\$ -	\$ -	\$ -	\$ -	0%
SPL	5	\$ 401,837.77	\$ 412,830.00	\$ 27,655.65	\$ 440,485.65	110%
<b>Grand Total</b>	<b>43</b>	<b>\$ 5,330,305.04</b>	<b>\$ 1,915,229.98</b>	<b>\$ 1,345,890.56</b>	<b>\$ 3,261,120.54</b>	<b>61.2%</b>

Contractor Payment by Ethnicity		
Ethnicity	Total Contractor Payment (provided by Prime)	% of City Contract Payment (w/o tax)
Black	\$ 362,585.54	6.80%
Asian American	\$ 805,994.91	15.12%
Hispanic	\$ 352,163.14	6.61%
Native American	\$ 404,839.39	7.60%
White Female	\$ 1,335,537.56	25.06%
Non-Minority	\$ 2,069,184.50	38.82%
<b>Grand Total</b>	<b>\$ 5,330,305.04</b>	<b>100.00%</b>

WMBE data includes all payments to prime contractors and subcontractors

\*Source: City Purchasing & Contracting Services.

## ANTICIPATED 2018 JOC SPEND

In 2019 SPU will continue to utilize JOC contracts whenever possible. Given previous years utilization of JOC, SPU anticipates spending between \$500K to \$1M for 2019. Additional projects may arise throughout the year that are suited for JOC contracts, in which case, SPU will utilize the JOC contracts.

## WMBE INCLUSION STRATEGIES

The WMBE program is managed by the SPU Manager, Katia Garcia, who works to engage and train internal and external stakeholders in support of increasing their awareness, desire, knowledge, and ability to participate in and support the City's efforts toward contracting equity. SPU works to create equitable contracting practices through in various internal and external strategies:



## INCLUSION & OUTREACH

### WMBE INCLUSION PLANS

The Seattle Municipal Code (SMC) and the Mayor’s Executive Order direct inclusion of women and minority firms in City contracting. The WMBE Inclusion Plan must be completed in full as part of the consultant response to contracts above \$305,000. The WMBE Inclusion Plan is a tool to encourage equitable contracting and partnering. SPU allocates 10% of scoring to the WMBE Inclusion Plan. Additionally, the SPU WMBE Manager is involved throughout the contracting process as either a voting or non-voting member to advise on WMBE inclusion. During 2018 there was an increased number of contracts with WMBE inclusion plans.

### UPCOMING CONSULTANT CONTRACTING FORUM (REGIONAL OUTREACH)

Annually SPU sponsors and hosts the City of Seattle Upcoming Consultant Business Opportunities Forum. In 2018 contributors included FAS, SCL, SDOT, Seattle PTAC, and State OMWBE. The event facilitates outreach for consultant contract planning for over 150 firms, half of whom are WMBE consultants. SPU project managers are present to share information on upcoming projects and meet with firms. In addition, firms’ network with each other and make connections with other firms for future partnering opportunities.

In 2019 the event will be held on March 21<sup>st</sup>, with 250 registered attendees whose firms span Washington state and Oregon.

In 2018, SPU initiated the “Champions of Inclusion Awards”, which recognized firms and an SPU employee for their commitment to equitable contracting, outstanding consultant WMBE inclusion, teaming, and mentoring.

*Award winners for 2018 included: Women Business Enterprise Champion: Tarelle Osborn, Osborn Consulting Inc.; Minority Business Enterprise Champion: Rizwan Hamid, Aqualyze Inc.; Professional Services Champion: Eric Davido, Davido Consulting Group Inc.; Sub-consultant Champion: Cos Roberts, UrbanTech Systems Inc.; SPU Ticiang Diangson Leadership Award: Ben Marre, SPU Drainage and Wastewater Planning and Programming Division Director.*



## REGIONAL OUTREACH

SPU participated in various outreach activities and events throughout the year to strengthen relationships and educate the consultant community on upcoming SPU projects, as well as our commitment as a community-centered utility. Some of the major annual events that SPU attends include:

- Alliance Northwest Government Contracting Event
- City of Seattle Regional Contracting Forum
- North Puget Sound Small Business Summit

In 2018 SPU contributed funds for a technical assistance contract aimed at assisting firms wanting to do business with the City of Seattle. Procurement Technical Assistance Center (PTAC) was awarded the contract for technical assistance in 2018. In addition to consulting with firms and participating in outreach

events PTAC collaborated with SPU to host a webinar in late 2018 on how to do business with a community centered utility. The live stream event generated interactive questions with participants and various firms that contacted SPU afterward to further engage with SPU.



## TRAINING & ENGAGEMENT

### INTERNAL WMBE TRAINING

Under the leadership of the SPU WMBE Manager and the support of SPU's Environmental Justice and Service Equity Division, SPU rolled out the first training in a series of WMBE training framed around the change management theory. The purpose of the training is to reinforce SPU's commitment to outstanding open and equitable competition, procurement best practices, inclusion, and community-centered stewardship. WMBE 101 highlights the history of the WMBE program, provides a review of relevant policies on the national, state, and local level, and ends by providing relevant SPU examples. This training is aimed at increasing awareness and desire to support the WMBE program. In 2018, there were 130 SPU employees that completed WMBE 101.



In 2019 SPU plans on continuing the successful WMBE 101 training as well as offering WMBE 102. This training will reinforce the spirit of the WMBE program, while building employee capacity through the examination of their roles and responsibilities when engaging in procurement decisions.

WMBE 102 will reinforce employee knowledge and their ability to lead in equitable contracting. In addition, SPU will offer WMBE 103 for employees involved on Contract Evaluation Committees (CEC). This training will help employees in the contracting evaluation process and how to evaluate WMBE Inclusion Plans through hands-on case studies. WMBE 103 will reinforce employee abilities and reinforce their participation as advocates of equitable contracting.



#### BRANCH EQUITY TEAM (BET) WMBE SUBCOMMITTEE

As part of SPU's commitment to Race and Social Justice, SPU expanded on the framework of the Change Team to create Branch Equity Team's (BET). For the past three years there have been roughly 80 employees engaged in embedding the principals of RSJI throughout the utility. There are WMBE subcommittees within most BETs. In 2018, BET teams conducted interviews and surveys with staff regarding WMBE. Some of the recommendations that come from the data attained was the desire to have and continue training as well as more exposure to WMBE metrics. The SPU WMBE manager is actively working alongside these teams to push forward on recommendations to support and further embed WMBE contracting equity throughout the utility.

#### CONTRACT IMPROVEMENT PROCESS

In 2018, the SPU Contracts Division participated in a contract improvement process. The SPU WMBE manager was included throughout the process in order to ensure there was a racial equity lens applied to the process and WMBE inclusion was embedded throughout the process. Some areas of focus included advance outreach, correctly sizing contracts, examining scope requirements, identifying WMBE opportunities early on, negotiations, and updating forms to include WMBE in purchasing and consulting.

#### PARTICIPATION IN CONTRACT CONSULTANT EVALUATION COMMITTEE

As mentioned in the WMBE Inclusion Plan section above, the SPU WMBE Manager is involved throughout the contracting process as either a voting or non-voting member to advise on WMBE inclusion and contracting equity. During 2018 there was an increased number of contracting processes that the WMBE Manager was involved with.

#### CITY INTER DEPARTMENT TEAM'S (IDT'S)

SPU participates in three major Citywide IDT's that involve WMBE inclusion and contracting equity: The Citywide IDT's include, Citywide WMBE IDT (focused on Citywide WMBE activities); Capital Department WMBE IDT (focused on Citywide WMBE implantation, policy & procedures); and CCAG IDT (focused on contract procurement).

## STAKEHOLDER ENGAGEMENT

### 1 ON 1 CONSULTANT MEETINGS

Connecting with firms in person is a critical component in identifying barriers to entry or issues during a city contract. It also serves as a vehicle to allow for access and inclusion for firms that want to do business with the City. In 2018, the WMBE manager met with over various firms monthly, which included:

- Meeting one-on-one with WMBE firms, upon request, to further engage them in upcoming opportunities and address questions they had on current or future contracting opportunities.
- Meeting one-on-one with non-WMBE firms to consult on WMBE Inclusion Plan best practices.



### **SPU COFFEE CONNECTIONS**

- Are you a WMBE firm interested in partnering with SPU?
- Are you a non-WMBE firm interested in learning how to create a better WMBE Inclusion Plan?
- Are you a firm doing business with SPU and have contracting equity questions?

**Schedule your 1-on-1 with SPU's WMBE Manager**

### COMMUNITY ENGAGEMENT

SPU has a regular presence in community organizations such as NMSDC, Tabor100, NAMC, CCCJ, and Seattle Chamber of Commerce. In addition to meetings, following is a list of annual outreach events SPU attends:

- Northwest Mountain MSDC Awards Dinner & Silent Auction Event
- Women in Leadership & Business Initiative "21" Lunch
- Tabor 100 Gala



### STAKEHOLDER SPECIFIC ENGAGEMENT

In 2018, SPU collaborated with the City’s capital departments and the Seattle Public Library to provide an in-language (Spanish) doing business with the City (Negocios con la ciudad) training. This is the second year that SPU participated with capital departments in this outreach effort. This event allows the City to minimize perceived barriers to working with the City. In 2019 SPU will continue to collaborate with capital departments to provide in-language engagement events.



### WMBE NEWSLETTER

In 2018 SPU distributed the first “WMBE Connections Newsletter (sample newsletter attached).” The intent of the newsletter is to provide firms with useful information regarding contracting equity with a focus on WMBE. Articles in the first newsletter included: *Welcome, What is SPU?, Meet Katia*



*Garcia-SPU WMBE Manager, Upcoming SPU projects, Why WMBE? and SPU Coffee Connections.* The first newsletter was well received with over 1,700 views. Additionally, it generated various firm contacts to the WMBE Manager to meet for “SPU coffee connections.” SPU anticipates distribution of the newsletter two to four times a year.

## ACCOUNTABILITY

### WMBE METRICS

Due to the PeopleSoft implementation reliable 2018 WMBE data was difficult to obtain throughout the year. SPU worked with FAS, the Mayor's Office and SPU's accounting department to obtain reliable metrics and in 2019 there will be development of new monthly reports that will be provided to leadership.

### B2GNow

Per current City of Seattle performance guidelines, Consultant and Purchasing metrics only include prime contractor performance and are not inclusive of WMBE sub-contractor dollars. The B2GNow database will allow the SPU to have greater visibility on subconsultant payment data. In 2018 SPU began entering contracts with inclusion plans into B2GNow. In 2019 SPU will continue this effort in order to develop comprehensive reports and metrics on WMBE subconsultant spend.

### PROMPT PAY

SPU is committed to the paying firms within 30 days of invoice. Meeting this goal is particularly important when it comes to paying our WMBE firms who are priming on contracts. See pages five to six for full details on SPU's 2018 prompt pay performance and 2019 goal.

### LEADERSHIP ENGAGEMENT

SPU's leadership team is also committed to WMBE inclusion. Leadership participates in training, encourages staff to be inclusive, disrupt and break down internal barriers, evaluate monthly WMBE metrics. (Note: 2018 metrics were unavailable monthly due to issues in reporting with the PeopleSoft implementation), in addition to being responsive to emerging contracting equity issues.

## OUR COMMITMENT

SPU is committed to advancing the City's mission to promote race and gender equity in contracting by aligning WMBE with our department goals of:

- Achieving excellence in core service delivery
- Increasing affordability and accountability
- Improving investment value
- Enhancing public health and environment
- Ensuring equity and inclusion
- Expanding impact through strong partnerships

SPU will continue to support WMBE Inclusion through a continued emphasis on eliminating barriers to participation, strengthening outreach, community engagement, internal process review, collaboration, and training.

### **Department Representative for 2019:**

Katia Garcia  
WMBE Manager, Seattle Public Utilities

### **Department General Manager/CEO:**

Mami Hara  
General Manager, Seattle Public Utilities