



# City of Seattle

Mike McGinn, Mayor

## Seattle Office for Civil Rights

Julie Nelson, Director

July 9, 2012

**TO:** City Council

**FROM:** Julie Nelson, Seattle Office for Civil Rights Director  
Fred Podesta, Finance and Administrative Services Director  
David Stewart, Personnel Director

**SUBJECT:** Response to Statement of Legislative Intent 46-1-A-1: Workforce and Contracting Equity

### Statement of Legislative Intent summary

As part of the 2012 budget development process, the City Council issued a Statement of Legislative Intent (SLI) that directed the Seattle Office for Civil Rights (SOCR), the Personnel Department, and Finance and Administrative Services (FAS) to prepare reports on contracting and workforce equity that present:

- An analysis of past year results, both City-wide and by individual department;
- Updates on new initiatives pursued over the past year;
- Positive steps and areas needing improvement; and
- Recommended strategies to address challenges in reaching workforce and contracting equity.

These reports were requested to help inform the Council's review of departmental Race and Social Justice Initiative (RSJI) mid-year progress reports, including workforce and contracting equity, as well as inform discussions of the Mayor's proposed 2013 budget.

### Background

From the beginning of RSJI, workforce and contracting equity have been primary goals. How the City uses our contracting dollars and makes human resource decisions is a clear indication of our commitment to racial equity. For many City employees, proof of the City's commitment to Race and Social Justice rests with the integrity of our efforts to end racial inequities in those arenas. We must align our own contracting and human resource practices and policies with our racial equity goals and strategies. City departments are working to achieve both workforce and contracting equity.

RSJI's workforce equity efforts are led by the Personnel Department, SOCR and the Workforce Equity Planning and Advisory Committee (WEPAC). WEPAC works to ensure that the City's workforce diversity reflects the diversity of Seattle's population. RSJI Core Team

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members have provided additional analytical support. We have consistently focused on eliminating institutional racism within our human resource policies and practices. The workforce equity outcome in 2012 RSJI work plans is “The City’s workforce diversity across positions reflects the diversity of the Seattle community” and the template contains the following three workforce equity actions:

1. Conduct an analysis of job titles within the department to determine which titles are not representative of Seattle’s diversity.
2. Develop strategies for recruitment and retention of employees in job titles where diversity is lacking.
3. Train hiring managers, supervisors and other staff involved with Human Resource (HR) processes on HR RSJI best practices.

RSJI’s contracting equity efforts are led by FAS, who works closely with staff in those departments that are responsible for the daily decisions which impact our overall City results. The contracting equity performance measure in the 2012 RSJI work plans is “Access to contracts for Minority Business Enterprises is increased” and contains the following contracting equity actions:

1. Establish departmental goals for percent of Women and Minority Business Enterprise (WMBE) consulting, construction and purchasing.
2. Implement actions to achieve WMBE goals.
3. Implement new WMBE inclusion policy for construction projects.

RSJI Sub-Cabinet, WEPAC and departmental expertise were used to help develop this SLI response. Departments will be provided guidance to ensure that their RSJI mid-year progress reports and budget presentations provide information to enhance City Council understanding of the status and direction of contracting and workforce equity strategies.

The remainder of this report is in two sections, Contracting Equity and Workforce Equity.

## **Contracting Equity**

### **Overview and Background**

As guided by City Ordinances (SMC Chapter 20) and Executive Order 05-2010, FAS City Purchasing and Contracting Services Division (PCSD) implements City procurement programs that:

- Award contracts for socially responsible products and services, to include woman and minority firms (SMC 20.42), fair labor practices and apprenticeship programs (SMC 20.38), and environmental best practices (SMC 20.60);
- Guarantee a fair, transparent, open and competitive bid process with sensible, easy-to-understand rules and requirements (SMC 20.50 for consultants and SMC 20.60 for goods and services);
- Manage and conduct City bidding and contracts to comply with rules in a responsible and reasonable way; and
- Quickly and easily provide procurement contracts for the services and materials that departments need to run their business.

The City has three types of procurements as established in City ordinance, each with their own rules and procurement options (for a summary see Exhibit 1):

- Public Works (construction)
- Purchasing (goods, equipment and routine services)
- Consultants (architects, engineers, other experts and professionals)

Race and social justice, social equity and shared prosperity are values and goals of the Mayor's administration and City ordinance (SMC 20.42). A significant challenge has been legal constraints on race-conscious solutions. State Initiative 200 (I-200) passed in 1999 and prohibits race-conscious requirements and mandatory "goals." I-200 still allows recruitment, outreach, aspirational voluntary goals, etc.

PCSD has tailored our social equity WMBE programs to comply with I-200 for each procurement type; different tools and approaches are useful for public works, than for purchasing and consultant contracts.

Contracts that include federal funding, usually public works, have additional limitations. Any federal agency that provides funding has authority over the bid documents. The City must have federal permission to include our social equity programs. Federal Highways Administration (FHWA) has traditionally refused any City social equity program and Project Labor Agreements. While other federal agencies are more flexible, this is a barrier for our larger transportation projects.

FAS has policy responsibilities for WMBE programs; departments have responsibilities for effective internal department-specific programs, long-term WMBE utilization priorities and outcomes within their departments. FAS provides technical assistance to departments about practices they may wish to use in order to pursue more successful WMBE utilization. (see Exhibit 2).

### **Public Works (Construction)**

The City spends \$300 to \$400+ million annually for public works contracts. WMBE spending is increasing:

2011: 9.7% (\$42,976,110 to WMBE firms)

2010: 7.8% (\$24,665,128 to WMBE firms)

**FAS Responsibilities:** By SMC, FAS is the central authority to bid and award all public works contracts. FAS is directed to establish City policies and procedures for construction contracting and use of WMBEs. For WMBE, FAS creates a visible and responsive City presence in the minority construction community, provides contract monitoring, enforcement, offers recruitment and trade shows, and supports departments.

**Department Responsibilities:** Departments independently develop the project specifications and conduct all project management. They submit those materials to PCSD for bidding. Departments are responsible for an independent WMBE program: priorities and internal decision-chains, recruitment and outreach, scoping work and contracts to encourage WMBE, making WMBE an award selection criterion, refusing contract solutions with disparate WMBE utilization, building relationships with WMBEs, and requiring primes to include WMBE sub-contracts on work.

**Public Works Program:** State RCW is detailed and prescriptive for public works, requiring low-bid awards with certain exceptions, bonds, retainage and prevailing wages. City ordinance adds some additional city-specific instructions:

- RCW 39.04            Public Works
- SMC 20.38           Apprenticeship program
- SMC 20.40           Small Works Roster
- SMC 20.70           Debarment

State RCW authorizes various bid approaches (see Exhibit 1):

- **Traditional low-bid** awards are advertised and competitive processes.
- **The Small Works Roster** is authorized by RCW and SMC; it is a low-bid award process on projects under \$300,000. In 2012, FAS PCSD dissolved the City Roster because of statistical disparity in WMBE awards (see details below).
- **Job Order Contracts (JOC)** are a successful and popular approach authorized by RCW. JOC excels at WMBE participation (50% utilization year-to-date). JOCs are “master” contracts for multiple on-call work orders under \$350,000 each. The RCW allows two master JOC contracts and up to \$4 million spending in a year through each. PCSD has

one for Facilities Work (Berschauer-Phillips is the general contractor, or “prime”) and one for Utilities (Mid-Mountain is the prime).

- **Alternative Public Works.** State RCW also authorizes several unique ways to bid large projects. They are collectively known as “Alternative Public Works.”
  - Design-Build is a “Request for Proposal” process that allows us to score and select an appropriate company who will be responsible for the design and construction for a project, all within one large contract. This method is for jobs above \$10,000,000, and appropriate when the City does not desire design control.
  - General Contractor/Construction Management (GC/CM) refers to work selected through a “Request for Proposal.” The winning company oversees and performs construction for a project above \$10,000,000. The City has used this method for SPU Combined Sewer Overflow projects and fire stations. GC/CM allows the construction firm to provide input into final design to maximize the expertise of the construction firm in design of the best, most effective construction specifications.

**WMBE Public Works Initiatives and Successes:** In 2011, Mayor McGinn directed significant policy changes that brought great improvements in commitments to use WMBE subcontractors. (See Exhibit 3.)

**2011 Success - Public Works Inclusion Plan:** Mayor McGinn directed FAS’ PCSD to develop an innovative, creative, effective and legal approach for WMBE inclusion on public works. Rolled out in August 2011, this new Plan introduced a transformative and institutional change. It brought remarkable results -- bidders now offer the highest WMBE inclusion rates since pre-I-200. (See Exhibit 4.)

The plan requires every bidder on a construction project to submit a WMBE Inclusion Plan. FAS (PCSD) immediately scores the plan and rejects bids that fail to provide a responsive plan. The Plan must obtain a score of 10 out of 16 possible points through three criteria:

1. A voluntary goal that surpasses past WMBE utilization on similar City projects;
2. Providing a worksheet that can show how the Prime thought through how they would package subcontracts so they would create greater WMBE opportunity; and
3. Enforceable guarantees by the prime to use certain prime-selected WMBE firms on the project.

Successes under this new plan (as of May 1, 2012):

- The low bid has had the highest WMBE in almost half the projects bid under this new plan. Primes now seek bids from a larger and more diverse pool of subcontractors, generating very competitive bids.
- The new Plan does not increase bid prices. We had two “before and after” case studies that showed no substantial cost increase because of the Public Works Inclusion Plan.
- Bids now offer higher WMBE goals than in past years; goals are coming in at 17% of project dollars to WMBE subs, compared to 12% in 2011 (Q2, pre-plan).
- WMBE firms are getting contract guarantees. Over half the WMBE goals are now contractually guaranteed to WMBEs. This eliminates the “shop and swap” that WMBEs often experience where a prime indicates that they intend to use a WMBE but instead swaps them out once the prime wins the project. These new contract guarantees come with strong enforcement; subs are listed by name in the bid, the list is posted on the City website for public accountability, and the City tracks to ensure the appropriate sub is used.
- WMBE primes are winning more projects than ever (16% of the bids as compared to 11% in 2010).

**2011 Success - Rainier Beach Community Center Public Works Bid Rejection:** Bids arrived in July 2011 for the Rainier Beach Community Center. These bids offered virtually no WMBE inclusion. Mayor McGinn determined these bids failed the City, failed the spirit and intention of our City commitment to minority firms and minority jobs, and failed to show good faith. For the first time in City history, the City rejected bids based on poor WMBE results. Using the brand-new WMBE Public Works Inclusion Plan, the City underwent a successful rebid – with no increase in cost yet significant WMBE inclusion. The project is well underway with 30+% WMBE (80+% of the total work available for competitive subcontracting).

**2011 Success – Job Order Contracts (JOC):** JOC is a tremendous WMBE opportunity for construction. JOC are a new form of contracts recently authorized by RCW. Traditional public works requires a low-bid award for a very distinct project. The JOC instead permits the City to establish “master contracts” with a general contractor where the City can issue many small work orders under the master contract. Each work order is less than \$350,000, so the work performed under a JOC remains many small, discrete projects. The City can have two such contracts at any one time. PCSD conducts a competitive solicitation to select each of the two prime general contractors.

The prime, serving as a general contractor, must then subcontract out 90% of all the construction work. Combined with the small work order size (less than \$350,000 each work order), this JOC contract method provides a great opportunity for the prime (general) to use WMBE firms to complete the work. PCSD has used this as a criteria in selecting and awarding the two prime contracts; the prime must show a strong commitment to using WMBE firms to do the small work orders. Because the JOCs have been so successful at

WMBE utilization, it is the preferred approach that every City department should first consider with small construction projects. In fact, Mayor McGinn expects all departments to maximize utilization of JOC contracts (communicated via Executive Order 5-2010). The primes have, in fact, produced outstanding utilization results, with most JOC subcontract work going to minority companies:

- In 2012, over 50% has gone to WMBE subs year-to-date.
- In 2011, 32% of JOC went to WMBE subs.
- In 2010, 26% of JOC went to WMBE subs.

Some departments have been exceptionally strong in using JOC contracts. They watch for opportunities to scope work into the \$350,000 window and work to solve any barriers to JOC utilization for their projects.

**2012 Initiative – Elimination of the Small Works Roster:** As noted earlier, the Small Works Roster was a low-bid award process available for projects under \$300,000. In 2012, FAS PCSD dissolved the roster because of statistical disparity in WMBE awards. The disparity between the number of WMBE firms that bid on Small Work Roster jobs and the number that won was significant. While the City does not have a full understanding of the reasons for this disparity, the statistical differences were large enough to merit discontinuing this particular approach to Public Works contracting.

	2010	2011	Compared to percentage in standard public works in 2011	Compared to JOC WMBE utilization in 2011
Percentage of WMBE firms that bid on Small Works	12%	10%	13.5%	
Percentage that won	0%	0%	16.3%	
Total percentage of WMBE dollars	0%	0%	17.6%	32%

The Small Works Roster was dissolved in full as of May 1, 2012. The roster, in fact, was used for very few jobs. For example, only six projects were performed through the Small Works Roster in 2011. FAS PCSD has replaced the roster with a much more narrow, fine-tuned

approach, creating a roster only if there are highly specialized construction projects that cannot be efficiently solicited through another approach. Working with SPU and SCL, we have three such types of work (small urgent pipe-repair projects, SCL Boundary work and SCL Skagit work). For each of these three, PCSD is conducting very specialized recruitment of local-WMBE firms in the geographical boundaries of where the work will be performed.

**2012 Initiative: Local and Low Income Worker Diversity:** Mayor McGinn is committed to shared prosperity – increasing the number of people of color and women on job sites. Fifteen percent of the workforce is apprentices, with 27% being people of color. The Mayor has directed FAS to seek further improvements of hiring of local, low-income, people of color and women workers by construction contractors on City work. FAS drafted a program for primes (and all subs) modeled after the Seattle Housing Authority “Section 3” program. FAS is working with the Construction Jobs Equity Coalition (SAGE, Got Green, Seattle Vocational Institute and others) to develop an agreed-upon version that accommodates labor protocols within or external to a Community Workforce Agreement.

**2012 Challenge - Federal Projects:** All federal agencies must approve use of any local social equity program. Some federal agencies provide greater flexibility; Federal Highways Administration (FHWA) prohibits the City from placing City social equity requirements onto FHWA-funded projects. The City recently requested FHWA to allow social equity and/or a Community Workforce Agreement for Mercer West. FHWA denied our request, and the City is now seeking additional discussion with FHWA for reconsideration.

**2012 Challenge - African American Contractors:** African American contractors have been a historic part of the construction business in Seattle. Utilization of African-American firms, despite their historic presence, has never topped 2% of City construction dollars. (Comparisons have sometimes been made to increases for White Female (WF) firms; however WF firms receive only 2 or 3% of City construction dollars.) A 2012 challenge is to improve African-American awards. JOC has proven to have strong African American utilization; JOC is therefore the contract method that FAS promotes to City departments whenever appropriate project opportunities arise.

- 2012 8.3% of all JOC payments were to African Americans.
- 2011 3.6% of all JOC payments were to African Americans.
- 2010 3.4% of all JOC payments were to African Americans.

### **PURCHASING**

Purchasing refers to equipment and supplies such as fire trucks and boats, office supplies, police vehicles, heavy equipment, and all other such needs and routine Services such as janitorial, security guards, and similar.

The City spends about \$220 million a year for purchases. WMBE 2012 spending year-to-date is 11.7%, compared to 1.4% in 2002. City Purchasing manages about 1,000+ master “Blanket” contracts at any one time, and about 180 of those are WMBE (the most ever held by minority firms in City history).

**FAS Responsibilities:** By SMC, FAS is the central authority to bid and award all purchasing contracts. FAS issues all City policies and procedures, including WMBE, regarding purchasing. FAS creates a visible and responsive City presence in the minority construction community to assist departments with recruitment of WMBE firms.

**Department Responsibilities:** Departments order products from master (“blanket”) contracts made available through City Purchasing. Departments are independently responsible for selecting WMBE firms when they place orders and to conduct recruitment and outreach for department-specific purchases.

**Purchasing Program Description:** SMC centralizes all purchases above \$44,000 in FAS. It is common for public agencies to centralize this to establish meaningful control. FAS conducts all bids and awards, and manages all contracts. FAS establishes all related policies and procedures. State law does not prescribe how we can purchase; state law is only detailed for public works. Instead, City ordinance (SMC Chapter 20) provides these details:

- Purchases that total above \$44,000 a year must be competitively bid. City Purchasing can use low-bid award or a scored selection which offers more flexibility opportunities for WMBE utilization.
- Purchases under \$7,000 per invoice are bought by department at their discretion.

City Purchasing manages 1,000+ master “blanket” contracts for everything the City frequently buys (office supplies, vehicles, janitorial services, software, parts and supplies, and similar). Such centralized purchasing leverages volume discounts and offers efficiency. All City departments can buy from these blanket contracts as long as the department has budget authority to do so. These blankets are usually rebid every five years.

**WMBE Purchasing Initiatives, Challenges and Success:** WMBE utilization has increased tremendously since 2002 (see Exhibit 5). We continue at all-time highs in utilization and contract counts (180 contracts year-to-date compared to 57 in 2005). FAS PCSD created new contract methods in 2005, and by Mayor direction in 2010, Purchasing also implemented a Purchasing Inclusion Plan.

Although the City spends fewer dollars for Purchasing than in previous years, those dollars continue to go to WMBE firms at a similar rate. The Citywide dip in 2011 utilization reflects steep declines in Seattle Department of Transportation’s (SDOT) utilization rates. About half

the SDOT decline was the result of converting a large WMBE service contract to in-house SDOT crews; another significant factor was the purchase of street car equipment. If we do not include SDOT spending (as reflected in the percentages below), the City remains near our historical all-time highs:

2012: 12.5%  
2011: 12.5%  
2010: 13.5%  
2009: 12.9%

Small departments have less impact but strong commitments to WMBE utilization. Although the types of products purchased by small departments lend themselves easily to WMBE utilization, their commitment and attention is recognized in the utilization rates below:

- Department of Neighborhoods (70%)
- Personnel Department (58%)
- Mayor's Office (48%)
- Department of Planning and Development (45%)
- Human Services Department (40%)
- Office for Civil Rights (40%)

Purchasing utilization has fairly equitable race/gender distributions and it has increased significantly and held strong for African American firms in recent years:

- African-American businesses held less than 10 contracts in 2005. In 2012, African American firms hold 87 contracts (about 9% of all City blanket contracts).
- Purchasing dollars spent with African-American firms has doubled since 2008.

### **Consultants**

Consultants are experts and professionals such as architects, engineers, attorneys, and auditors. The City spends about \$100 million annually in this area. Consultant contracts are decentralized; every department has separate authority and responsibility to compete, award and manage their consultant contracts.

**FAS Responsibilities:** By SMC, FAS is the central authority to create consultant policy. FAS does not have responsibility or authority to solicit or develop consultant contracts for departments. FAS does not see, approve, or award such contracts.

**Department Responsibilities:** Departments have independent authority to solicit and award consultant contracts. Departments are responsible for recruiting and selecting WMBE firms for all their consultant contracts and following FAS protocols regarding consultant contracts.

**Consultant Program Description:** SMC has several types of consultant contracts (Exhibit 1).

- The Consultant Roster is a popular, successful contract mechanism authorized by SMC. FAS manages the Roster (approves and pre-qualifies consultants). Departments may select one or more pre-qualified firms. About 10% (\$5 million +) of consultant contracts are through the consultant roster. The roster successfully encourages WMBE utilization, with 25% of all roster dollars going to WMBE primes.
- Consultant contracts above \$260,000 require an advertised, competitive solicitation. Departments follow rules and procedures set by FAS, but are responsible to comply, recruit, award and execute.

**WMBE Consultant Performance, Initiatives and Challenges:** The City financial system tracks consultant WMBE primes but not WMBE consultant subcontracts. The last few years of Citywide WMBE utilization revealed expenditures of 12% in 2010, 9+% in 2011, and 8% in 2012 (YTD). With SDOT's spending equaling 37% of the City's total spending, the City's WMBE spending dipped from its all-time high in 2009 of 14%, driven by SDOT's significant utilization challenges. SDOT's WMBE spending declined in 2010, 2011, and again in 2012. SDOT staff is working to increase SDOT's WMBE utilization rates by creating several project-specific goals and focusing heavily on intensive sub-tier outreach. City consultant spending otherwise is significantly improving, with SPU and SCL enjoying significant gains. Strong performers include:

- Seattle Public Utilities (improved from 8.3% in 2010 to 10.4% in 2011)
- Seattle City Light (improved from 10.4% to 13.7% in 2011)
- Human Services (57%)
- Economic Development (40%)
- Department of Neighborhoods (81%)

**2012 Initiatives for Consultant Subcontracting:** For 2012, FAS is developing a system to track sub-consultant WMBE spending. During 2013, the system will offer a baseline to allow aspirational goals and improvements at sub-tier levels. This system will, for the first time, allow the City to track how much consultant contract work is being sublet to WMBE firms. The system will require all prime consultants to enter data each month about sub-consultant utilization. With that data in hand, the City can set aspirational goals to improve WMBE utilization as appropriate. We expect the system to launch in September and have a baseline underway for the annual 2013 goal-setting process.

### **Other City Challenges and Issues**

**Supreme Court Case – November 2012:** FAS and the Law Department will pay attention to the Supreme Court case scheduled for October. This ruling could further limit use of race-conscious programs in government contracting. The new case, Fisher v. University of Texas, No. 11-345, was brought by Abigail Fisher, a white student who says the University of Texas denied her admission because of her race. The appeal seeks an end to "racial preferences" in college admissions. The decision could either limit affirmative action or broadly forbid using race as an admissions factor.

**Media:** FAS Contract Administrators conduct on-site inspections for federally funded projects. If these on-site inspections uncover apparent violations, they are reported for state and federal investigation. There has been recent media attention on the State of Washington, Office of Minority and Women Enterprises (OMWBE) and suspicious activity on federally funded projects. One project named was the City's Spokane Street project. PCSD staff uncovered suspicious activity on the project, which indicated some apparent "front" work that would be non-compliant with federal rules and programs. The suspicious activity was around concrete sub-contracting work that had been awarded and paid to a WMBE firm. Instead, a white-owned, non-WMBE firm showed up to actually perform the work on the construction site. FAS reported this to the State of Washington and FHWA, who have the authority to designate whether the WMBE firm was using their certification properly.

### **Workforce Equity**

#### **Analysis of past year results: Citywide and by individual department**

Departments have historically used federally required EEO reports to assess workforce equity. Unfortunately, because these reports group together a wide range of different job titles, they often fail to identify areas where actions are warranted. In addition, these reports use an "availability" number, as opposed to the actual racial representation in Seattle. It is for these two reasons that departments will be conducting and presenting more focused analyses and developing more specific strategies in 2012 and in coming years.

In 2012, the Personnel Department and SOCR are working with departments to analyze leadership positions by race, in comparison with overall population statistics of the city and the overall number of persons in the labor force who are available or engaged in working within the Seattle city limits.

Exhibit 6 provides a statistical breakdown of the City's leadership personnel, including three broad categories: Directors, Managers, and Supervisors. The data for Directors and Managers is from those job classification series. For supervisors, any classifications with clear supervisory functions are included. This specificity will permit appropriate comparisons between departments. At the same time, however, it is important to note that

some departments have additional positions that serve in leadership and/or supervisory positions.

Of the 10,448 employees currently employed, the leadership personnel total is 1,542 employees or 6.7% of the total work force. Leadership personnel execute policies, procedures and performance management at an operational level and are crucial to the effective functioning of the City. For the City and RSJI to be most effective, it is critically important that our leadership broadly represent the communities we serve.

The data in Exhibit 6 provides Director, Manager and Supervisor numbers and percentages by race, compared to Seattle's population and Labor Workforce Statistics (for persons between the ages of 25 – 69). A few comments about the categories used:

- **Racial categories** – The racial categories used include Native American, Asian, African American, Latino, Native Hawaiian or other Pacific Islander, two or more races, and White. A few nuances that are important to note:
  - Racial categories have shifted over time, with the most recent change being the use of the “two or more races” category. Whether people of multiple races choose to identify with one or more race continues to evolve. In addition, because the way racial questions are asked can affect how individuals respond, this data should be used with caution.
  - The Asian category includes multiple ethnicities. When more detailed ethnicity is analyzed in areas such as education and employment, it is clear that there are significant differences among ethnicities. Therefore, it is important that even when the overall Asian category is performing well, attention should be paid to possible differences among ethnicities.
- **Population Data** – Overall population data reflects the entire age spectrum, including children and elders not typically in the work force.
- **Labor Work Force Statistics** – Labor work force statistics include persons between the ages of 25 and 69 years in the labor work force.

Exhibit 6 allows us to assess City racial representation in leadership positions when compared to the labor work force. On a Citywide basis, we see:

- **Native-American** – the overall population of Native Americans in Seattle is low (.9% of the labor workforce). Although the numbers of Native Americans in City leadership positions are above the percentages in the labor work force, given the low population and potential impact of small shifts (only two Native American Directors and seven Managers), it is important for us to continue to support Native Americans in leadership.

- Asian – the overall population of working age Asians in Seattle is 11.9%. When Leadership positions are combined into a single number, we see equitable representation. However, when analyzed by the three categories, Asians are representative of the labor work force at the Supervisor level (13.2%), but become increasingly less representative at the Manager level (11%) and Director level (7.9%).
- African American – the overall population of working age African Americans in Seattle is 6.8%. Across leadership categories, the number of African Americans is high – at the Supervisor level (11.5%), Manager (12.3%) and Director (14.0%). Over the past decades, there have been significant increases in the number of African Americans in leadership positions, largely due to the civil rights movement, affirmative action, and the City’s RSJI efforts. Despite this progress, however, African Americans in positions of leadership still express concerns about the fragility of their situation, especially after the passage of I-200 and loss of affirmative action tools.
- Latino – the overall population of working age Latinos in Seattle is 5.3%. Across the board, Latinos in leadership positions are not as representative as we would hope, at the Supervisor level (4.0%), Manager (4.0%) and Director (2.8%).
- Native Hawaiian or other Pacific Islander – the overall population of Native Hawaiian or other Pacific Islanders is low (.5% of the labor workforce). Although the numbers of Native Hawaiians or other Pacific Islanders in leadership positions is on mark overall (.8%), there are no Native Hawaiian or other Pacific Islanders who are Directors and only one Manager. Given the low population and potential impact of small shifts, it is important for us to continue to support Native Hawaiians and Pacific Islanders in leadership.
- Two or more races – the overall population of working age people of mixed race is 4.8%. Overall, people of mixed race are under-represented in leadership positions (at the Supervisor level, 2.0%; at the Manager level, 2.4%, and at the Director level, .6%)
- Whites – overall, whites make up 69.9% of the working age population in Seattle. Whites make up 67.8% of Directors, 73.6% of Managers, and 66.3% of Supervisors.

Departments are being provided their own specific data. Given that hiring, recruitment and retention efforts are developed and implemented at the departmental level, this data is quite important. To improve workforce equity, we must utilize appropriate strategies. In cases of under-representation, upward mobility strategies that develop staff for leadership positions and recruitment efforts are most important. In cases of approximate representation, retention strategies and upward mobility strategies that support career progression are critical.

For smaller departments, given the low number of directors, managers and supervisors, increasing racial representation is more likely a longer term effort. Individual hiring decisions will have a large impact on the percentages. Turn-over and open management

positions are relatively infrequent in many departments, increasing the importance of longer-term succession planning and support of upward mobility across departments.

Departments that have made significant progress in reflecting the City's racial representation include:

- Seattle Public Utilities
- Human Services Department
- Office for Civil Rights

Departments where representation needs improvement include:

- Police
- Fire
- Department of Information Technology
- Law
- Small Executive Offices

Most departments have challenges of one sort or another. For instance, some departments' racial representation may be lacking in a specific racial category, while for others, racial representation of overall leadership may be representative, but there may be a challenge at a specific level, e.g. directors versus supervisors. SOCR and Personnel are working with individual departments to develop specific and appropriate strategies.

#### Updates on new initiatives and positive steps taken

The RSJI Accomplishment's Report, released at the beginning of this year, provided an overview of the City's workforce equity accomplishments, both across City departments as well as in specific departments.

Citywide workforce equity accomplishments:

- The City has reduced the number of unnecessary criminal background checks conducted as a part of hiring processes. A new Personnel Rule was developed and implemented so that background checks now occur only if they directly relate to the position being filled. The change was made to increase employment opportunities for people of color, who are disproportionately represented in the criminal justice system.
- The Personnel Department wrote new rules to create more equitable out-of-class work opportunities for City employees. Departments are monitoring out-of-class opportunities to ensure racial equity.

- The Workforce Equity and Planning Advisory Committee (WEPAC) developed best practices for filling out-of-class positions, interviewing and general hiring processes. We have begun to conduct training to increase utilization of best practices.

Accomplishments within departments:

- The Seattle Fire and Police Departments are making concerted efforts to reach out to communities of color during recruiting, testing and hiring processes.
- Seattle Public Utilities has reduced the requirement for a college education in positions where a college degree is not actually necessary. This was done after the utility analyzed the impacts of a college education requirement on workforce equity.
- Public Utilities, Neighborhoods and Civil Rights have incorporated RSJI into employee performance reviews.
- FAS assesses its workforce demographics four times a year and compares it to community workforce availability. FAS then targets its outreach efforts to communities that are under-represented.
- The Seattle Fire Department and the Seattle Department of Transportation consider equity when making overtime assignments. The Fire Department has rewritten its hiring and promotional interview questions to ensure that applicants recognize the diversity of the community.
- Seattle City Light has incorporated RSJI in its succession planning to reduce racial disparities among management, professional and line staff.
- The Department of Information Technology encourages department-wide discussion of hiring practices, promotions, out-of-class opportunities, and discipline to understand the role that race plays and to discover unintended consequences.
- The Office of Arts and Cultural Affairs, DoIT and other departments advertise job openings in community and ethnic media in addition to mainstream media outlets.
- The Parks Department revised its hiring process for some entry level / low-skilled jobs to put more emphasis on the working tests as opposed to relying primarily on oral interviews to lessen the impact of lack of English skills.

Areas needing improvement and recommendations for addressing challenges in reaching workforce equity

The accomplishments listed above have been significant, and lay the groundwork for our continued work. Areas needing improvement and recommendations are as follows:

- **Conduct more analysis of additional job classifications** – the analysis of leadership classifications conveyed in this report is an improvement in the methodology of

analyzing workforce equity. We will build on this analysis over the coming years by analyzing additional classifications, including Engineers, Information Technology Professional positions, Strategic Advisors, Laborers and Administrative Specialists. These classifications have been identified by the RSJI Sub-cabinet and WEPAC as areas of concern because of potential lack of representation and/or lack of upward mobility.

- **Increase use of workforce equity best practices** – The best practices developed by WEPAC for filling out-of-class positions, interviewing and general hiring processes are being used by some, but not all departments. SPU and DPD have been at the forefront of using best practices. Personnel, SOCR, WEPAC and RSJI Core Team members will continue to provide technical assistance to departments to increase the utilization of workforce equity best practices.
- **Conduct training to clearly integrate RSJI into Human Resource trainings** – We have made progress in identifying and eliminating institutionalized racism within many aspects of Human Resources (HR). For this to continue, it is important for RSJI to be clearly integrated into all aspects of HR, including the breadth of HR trainings. Some HR training is conducted by City Personnel while much is conducted within individual departments. We have developed and piloted a short RSJI / Workforce Equity PowerPoint (see Exhibit 7) that is to be integrated into all HR trainings, including those offered by Personnel and individual departments. A common foundation and understanding of workforce equity and RSJI and consistent reiteration of core concepts will help to ensure progress.
- **Analyze the impact of race within City discipline policies and procedures** – WEPAC has heard anecdotal concerns that the City's discipline policies are used inconsistently, both within and between departments, and that there may be unintended and disproportionate impacts on employees of color. We are currently scoping an approach to addressing this concern.
- **Explore the possibility of using the Employee Assistance Program to offer English as a Second Language classes** – Although the City has broken down some barriers to employment for people with limited English skills, upward mobility continues to be a challenge. We will work with the Employee Assistance Program to assess the possibility of English classes for such employees.

The City's Race and Social Justice Initiative continues to change and challenge the way the City does its business. A significant step in analyzing our progress in the future will be to have all communities equitably represented in our workforce and with our construction, contracting and purchasing spending.

We look forward to briefing you on this information August 13<sup>th</sup>. If you have questions prior to that briefing, please feel free to call any of us.



**Exhibit 1  
Summary of Contract Methods**

<b>Public Works</b>	<b>Purchasing</b>	<b>Consultant</b>
Small and large construction	Equipment, supplies, routine services such as vehicles, fire boats, generators, office supplies, janitorial services, security guards, software	Professional experts including architects and engineers, technology experts, auditors, attorney's, etc
Mandatory Low Bid Award <ul style="list-style-type: none"> <li>• Exceptions are given below</li> </ul>	Low Bid Award or Scored Selection proposal (RFP)	Qualifications-based award (RFQ)
Small Works Roster <ul style="list-style-type: none"> <li>• authorized by SMC</li> <li>• projects less than \$300,000</li> <li>• Poor WMBE utilization</li> <li>• Citywide Roster was dissolved by FAS in 2012.</li> </ul>	Blanket contracts (Master contracts signed by City Purchasing)  Purchase Orders (one-time purchases)	Scored Selection proposal (RFP)
Job Order Contracts <ul style="list-style-type: none"> <li>• Authorized by RCW</li> <li>• Master contracts</li> <li>• Small work orders less than 350k each</li> <li>• High WMBE utilization</li> </ul>		Consultant Roster authorized by SMC for contracts less than \$260,000 <ul style="list-style-type: none"> <li>• High WMBE utilization (25%)</li> </ul>
Design/Build <ul style="list-style-type: none"> <li>• Allows one large master contract for projects above \$10 million.</li> <li>• Scored</li> <li>• Covers both design and construction under one contract</li> </ul>		
GC/CM: General Contractor + Construction Management <ul style="list-style-type: none"> <li>• Allows one large master contract for projects above \$10 million.</li> <li>• Scored selection process</li> <li>• Allows construction company early involvement during final design.</li> </ul>		



**Exhibit 2**  
**Best Practice Questions**

General WMBE

- Does the department have clear accountability, such as goals for each Division director?
- Does the department use an RSJI filter on internal decisions to decide on placing a service out for contracting or, alternatively, in making decisions about which contract services to terminate?

Capital Departments

- Is JOC used to the full extent possible? What efforts are underway within the department to increase utilization of JOC?
- Are Construction Managers monitoring and enforcing WMBE during the project?
- Is WMBE a factor in executive leadership on contract decisions, such as whether to accept or reject bids?



### Exhibit 3

#### City of Seattle Construction Bids WMBE Subcontracts (Before Inclusion Plan and After)

The Public Works Inclusion Plan has improved the aspiration and guaranteed goals that Primes offer at time of bid. The types of work we bid changes the goals that we should expect. For example, facility work will get greater WMBE participation than highly-specialized high-voltage wire work.

The chart below is adjusted to neutralize those variations. It offers comparisons as follows:

- Rates during 2011 before the Public Works Inclusion Plan was implemented
- Rates actually achieved after the Plan was implemented
- Rates that would have been achieved given historical performance, if the Plan had not been in place, given the particular types of work under bid.

	Pre Plan		With Plan	
	2011 Q2	2011 Q3	2011 Q4	2012 Q1
Pre Plan Goals (Red)	14.8%	15%	(13%)	(10%)
New Plan Goals (Blue) <i>Includes amounts guaranteed to WMBE subs</i>			32%	21%

STATE OF TEXAS  
COUNTY OF [ ]

NOTICE OF PUBLIC HEARING

WHEREAS, the [ ] has filed with the [ ] a proposed [ ] and the [ ] has determined that the [ ] is in the public interest and that a public hearing should be held on the [ ] at the [ ] on the [ ] at [ ] o'clock [ ] of the [ ] day of [ ] 20[ ] to receive and consider public testimony and suggestions concerning the [ ] and to determine whether or not the [ ] should be [ ] and if so, on what terms and conditions.

AND WHEREAS, the [ ] has determined that the [ ] is in the public interest and that a public hearing should be held on the [ ] at the [ ] on the [ ] at [ ] o'clock [ ] of the [ ] day of [ ] 20[ ] to receive and consider public testimony and suggestions concerning the [ ] and to determine whether or not the [ ] should be [ ] and if so, on what terms and conditions.

AND WHEREAS, the [ ] has determined that the [ ] is in the public interest and that a public hearing should be held on the [ ] at the [ ] on the [ ] at [ ] o'clock [ ] of the [ ] day of [ ] 20[ ] to receive and consider public testimony and suggestions concerning the [ ] and to determine whether or not the [ ] should be [ ] and if so, on what terms and conditions.



### Inclusion Plan

#### Construction – Public Works

**Bidders must complete and submit this form with their bid. Carefully read the attached instructions.**

For Questions, call Miguel Beltran, 206-684-0385 [Miguel.Beltran@seattle.gov](mailto:Miguel.Beltran@seattle.gov)

BIDDER COMPANY NAME: \_\_\_\_\_

Identify the person authorized to speak on behalf of the company regarding this Inclusion Plan:

Name:

E-mail:

Phone:

#### PROPOSED SUBCONTRACTING WMBE GOALS. Total available score: 8 points.

Propose subcontracting WMBE goals in the spaces below. These goals represent the WMBE utilization that the Bidder intends to achieve during contract performance. Although these are not mandatory goals, **they should be regarded by the Bidder as their realistic and serious commitment.** If you are a WMBE Prime, do not include your self-performance. See page 4 for instructions. These goals do not need to match, and are not necessarily expected to match, the Worksheet of Possibilities (page 2) or WMBE Contract Commitment Log (page 3).

Estimated percentage of the base bid to Minority Owned subcontractors and suppliers	%
Estimated percentage of the base bid to Woman Owned subcontractors and suppliers	%
Total estimated percentage of the base bid to all WMBE subcontractors and suppliers	%

**WMBE Expert.** For projects with an Engineer's Base Bid Estimate of \$2,000,000 or more, name a person or firm to act as the Bidder's WMBE Expert on the project team. Failure to name a WMBE Expert for such projects will result in the bid being rejected as non-responsive. The person or firm designated as the Bidder's WMBE Expert shall substantially meet the qualifications described below and must be approved by the City before contract award. If the Bidder names a WMBE Expert that is not approved by the City, the Bidder shall engage a qualified WMBE Expert identified on the list. [www2.ci.seattle.wa.us/ConsultantRoster/RptApprovedConsultant.asp](http://www2.ci.seattle.wa.us/ConsultantRoster/RptApprovedConsultant.asp) has a list of approved WMBE Experts, for your convenience. The Bidder should consider seeking the advice of this WMBE Expert to help prepare the Inclusion Plan before bid submittal.

WMBE Expert Name	
------------------	--

WMBE Expert responsibilities would typically include but are not limited to:

- Outreach to qualified WMBE firms to submit subcontract bids;
- Work with the Bidder's estimators during bid preparation;
- When requested by the City, work with the City to refine Bidder's plan before contract execution;
- Submit to the City a list of all selected WMBE subcontractors within 30 days of project award or as otherwise agreed upon with the City, and a list and schedule for remaining subcontractor packages;
- Ongoing outreach to WMBE firms for work the contract may require, including work added by alternate/additive;
- Outreach to qualified WMBE subcontractors when replacement subcontractors are required during the contract;
- Assist WMBE firms to achieve contract compliance; and
- Participate in periodic progress meetings with the City to review WMBE utilization.

A qualified WMBE Expert brings knowledge of the identity, capabilities and capacities of WMBE subcontractors and suppliers; experience recruiting and working with WMBE firms for construction; and assisting WMBE firms to develop working relationships with contractors.



BIDDER COMPANY NAME: \_\_\_\_\_

**WMBE CONTRACT COMMITMENT LOG.** Total available score: 6 points.

Use multiple pages as needed. Up to 6 points will be awarded for identifying WMBE firms you commit to subcontract with if awarded the contract. If you choose to list WMBE firms, you are giving the City and the WMBE firm a guarantee that they will be used for at least the minimum contract amount identified below, unless the WMBE is unable to perform as the result of an allowable cause per the City Standard Specifications, 2011 Edition as modified. If a WMBE listed below is unable to perform, the Bidder shall request permission from the City Project Manager to substitute another firm and shall use good faith efforts to recruit a WMBE firm.

WMBE Business Name	Minimum Contract Amount
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL	\$

# Public Works Inclusion Plan Instructions

For Questions, the City Purchasing and Contracting Services Division is available to assist you.

- **Primary Contact: Miguel Beltran Sr. Program Administrator, 206-684-0385 ([Miguel.beltran@seattle.gov](mailto:Miguel.beltran@seattle.gov))**
- *Back-Up: Mark Wheeler, City Contract Compliance Manager, 206-684-4525 ([mark.wheeler@seattle.gov](mailto:mark.wheeler@seattle.gov))*
- *Back-Up: Nancy Locke, Director, 206-684-8903 ([nancy.locke@seattle.gov](mailto:nancy.locke@seattle.gov))*

1. This form will be required on most City public work bids that are design-bid-build having an Engineer's Estimate of \$300,000 or greater. Note that projects with Federal funding may not require this form. For all projects where this form is included by the City, the bidder shall complete the WMBE Inclusion Plan Form and submit it as part of the bid package. The completed Form is used to determine Bidder responsiveness and compliance with SMC 20.42.
2. WMBE Primes must complete this Form. Self-performed work of a WMBE Prime is not counted as subcontracting.
3. Intent to self-perform does not relieve the Bidder from completing this form and establishing WMBE goals.
4. A responsive Plan must document a reasonable, good faith effort to include WMBE firms. A responsive Plan will be determined by the City using the point system described below.
5. Plans will be responsive if the Plan receives at least 10 points, and for contracts at or above \$2,000,000 also identify a WMBE expert. Failure to score at least 10 points will lead to bid rejection.
6. If no information is provided in a section, the bid will not be rejected. Instead, the section of the Form without information will be scored zero points.
7. WMBE firms include any certified or self-identified woman owned and minority owned (WMBE) firm. They do not need to be state certified. Bidders may include any firm that self-identifies as at least 51% WMBE owned (per SMC 20.42). The following are some resources to assist bidders: (<https://wald1.seattle.gov/dea/registration/>) and the State Office of Minority and Women Business Enterprise ([http://www.omwbe.wa.gov/certification/certification\\_directory.shtml](http://www.omwbe.wa.gov/certification/certification_directory.shtml)).
8. All dollars on the Form (including references to the Engineer's Estimate as well as the estimates of scopes of work and contract values) exclude sales tax.
9. The City may discuss the Plan with the lowest responsive and responsible bidder before incorporating into the contract and the Plan may be amended by mutual consent.
10. A responsive Form shall be material to the contract; contract performance shall require a continuous good faith effort to achieve the goals.

## Past Performance

11. The City uses Past Performance to measure and score a responsive Plan. If Past Performance has been zero, the Form will be scored accordingly.
12. A project is assigned to a category based upon the predominant nature of the work in the opinion of the City.
13. Past Performance was calculated by the City for various project types, taking the average actual WMBE utilization for completed City projects, by type of project over the past three calendar years. Past Performance measures are updated annually. If the City determines that a project has a scope that is materially different from the types below, the City will calculate a Past Performance measure unique for that project and will make that known to all bidders.
14. The specific Past Performance measure for each project will be stated in the advertisement and bid documents; if bidders have questions about the suitability of the Past Performance measure, direct such questions to the City in writing during the bid Q&A period.
15. Below is a table showing Past Performance examples for the most common project types:

Year	Roadway	Facility	Parks	Underground	Structural
2009	10.8%	19.8%	37.6%	15.3%	2.6%
2010	12.0%	19.9%	32.8%	17.4%	7.4%
2011	13.8%	23.8%	19.4%	11.2%	5.1%
<b>Total</b>	<b>12%</b>	<b>21%</b>	<b>30%</b>	<b>15%</b>	<b>5%</b>

**Note:** Applicable Past Performance for each project will be specified in the project's advertisement and specifications.

## Minority Designations

16. If the firm is both woman owned and minority owned, count the firm as minority owned.
17. A WMBE does not need to be self-identified and registered within the City VCR system to be considered a WMBE firm at the time of bid. However, the firm must self-identify and register in the City system no later than time of award.

## Scoring

18. Scoring will be tabulated to the nearest tenth decimal place. For an .x5, the City will round up to the nearest tenth.

### **Proposed Subcontracting WMBE Goals (Page 1)**

19. Bidders should understand that these goals are intended to be a serious commitment that the Bidder can reasonably and realistically achieve, given reasonable good faith efforts.
20. These are material to the contract. Contractor performance will be evaluated at project completion by the City as part of the City performance evaluation, and shall measure the good faith efforts towards achieving the aspirational goals given as the contract commitment. Performance in this contract will be used to measure responsibility as a Bidder for future projects.
21. These proposed subcontracting goals are what the bidder intends to achieve. These are not intended to equal the amounts the Bidder has guaranteed (Contract Log on page 3) or the total Worksheet of Possibilities (Scopes of Work on page 2).
22. Proposed WMBE Subcontracting goals represent the percentage of the total contract that the Bidder intends to actually subcontract to WMBE subcontractors. This should take into account all variables that may influence the Bidder's ability to reach their aspirational goal. The percentage applies to the entire contract cost. If change to the contract requires a modification to the percentage, then the City and Prime shall discuss whether a greater or lesser goal is appropriate and modify the Plan accordingly.
23. The bidder should enter a total WMBE goal on the form where indicated on page 1. The City seeks a separate percentage WBE and MBE goal for the project. If the bidder does not provide such goals separately and only gives a total, then the City may seek the two separate percentages after bid opening and will rely upon the total for bid responsiveness calculations.
24. A bidder shall receive between 0 and 8 points. A bidder shall receive proportional number of points based on a straight line formula for Past Performance (plus 2%). For example, a bidder will receive 4 points if their goals are half of the sum of Past Performance + 2%. Eight points are awarded if the Bidder meets or exceeds Past Performance by 2 percentage points or more. For example, in the case of a Roadway type of project with a Past Performance of 12%, a bidder would receive 4 points if the aspirational goal were 7% or 8 points if the aspirational goal were 14%.

### **WMBE Expert (if required)**

25. The bidder is required to name a WMBE Expert for projects with an Engineer's Estimate, exclusive of alternates, additives or tax, at \$2,000,000 or more. A list of approved WMBE Experts can be found at: [seattle.gov/html/business/construction.htm](http://seattle.gov/html/business/construction.htm). A WMBE Expert does not need to be on the City list by the time that the bid is submitted. If the bidder identifies a WMBE Expert not presently identified on the City list, the City will evaluate the WMBE Expert before award. If the Expert proposed by the bidder fails to qualify for the City list, the bidder shall substitute a WMBE Expert on the City list by the time of award.

### **Worksheet of Possibilities (Page 2)**

26. This is a simple list of all the various types of work involved in the project that might have WMBE possibilities. This is to show that the Bidder has thought about where there might be WMBE availability as they prepared subcontracting packages. This is not a prediction of work that will ultimately be subcontracted to WMBE firms or the goals that the Bidder intends to achieve (page 1).
27. This does not need to be the same as your aspirational goals (page 1) or WMBE Contract Log (page 3). It is a worksheet for the benefit of the Bidder, that indicates the planning and preparation of subcontracting packages with good faith consideration of WMBE availability.
28. The City will score this item based upon whether the Bidder is able to identify potential scopes of work at least equal to Past Performance.
29. A bidder shall receive between 0 and 2 points. A bidder shall receive proportional number of points based on a straight line formula for Past Performance. For example, a bidder will receive 1 point if the identified potential subcontracting components equal half of the percentage indicated by Past Performance. Two points are awarded if the Bidder is able to identify potential subcontracting components that equal or exceed Past Performance.
30. Bidders may request a determination from the City through the standard project Q&A process as to whether a particular scope or supply is considered to have WMBE availability for purposes of calculation, in advance of the bid submittal date. Both the request and the City's response will be posted on the City bid-serve site.

### **WMBE Contract Commitment Log (Page 3)**

31. The WMBE Contract Commitment Log lists those WMBE firms with whom you choose to commit to contract. This does not need, and is not expected, to equal your total aspirational goal on page 1. You may have some firms you can commit to at time of bid, but you may also have other opportunities for subcontracting that you intend for WMBE Firms but are not yet prepared to commit to a particular firm.
32. A WMBE Commitment does not require a signed contract in place with the WMBE, or any form of a signed agreement. Instead, this is a guarantee from the Bidder to the City that the contract shall be executed if the Bidder wins award for at least the minimum guaranteed contract amount, unless an appropriate exception that requires a change is approved by the City.

33. A bidder shall receive between 0 and 6 points. A bidder shall receive proportional number of points based on a straight line formula for Past Performance. For example, a bidder will receive 3 points if the Bidder commitments equal half of the percentage indicated by Past Performance. Six points are awarded if the Bidder commitments meet or exceed Past Performance.

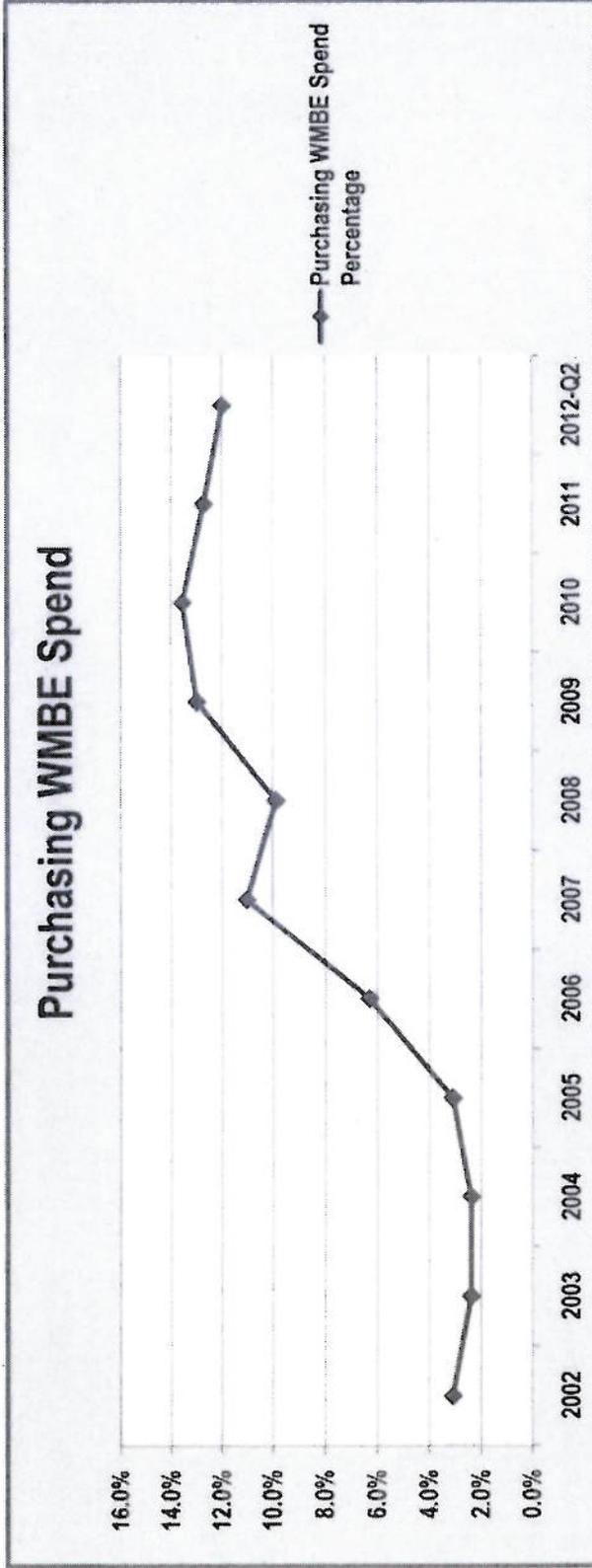
34. Unless otherwise amended by the City, The City Specification guarantees read as follows:

3. Changes to named Subcontractors or Suppliers:

- a. A named Subcontractor (also applies to Suppliers) includes any WMBE Subcontractor or Supplier named on the Inclusion Plan's WMBE Contract Log as a Subcontractor with whom the Bidder would Contract if awarded the Contract.
- b. Any named Subcontractor that the Contractor wishes to substitute during the course of the project must have the Project Manager consent through a change order and a demonstrated "good cause." "Good cause" shall include the following:
  1. Failure of the Subcontractor to execute a written contract after a reasonable period of time.
  2. Bankruptcy of the Subcontractor.
  3. Failure of the Subcontractor to provide the required bond.
  4. The Subcontractor is unable to perform the work because they are debarred, not properly licensed, does not meet the subcontractor approval criteria, or in some other way is ineligible to work.
  5. Failure of the Subcontractor to comply with a requirement of law applicable to subcontracting.
  6. The death or disability of the Subcontractor (if the Subcontractor is an individual)
  7. Dissolution of the Subcontractor (if the Subcontractor is a corporation or partnership).
  8. If there is a series of failures by the Subcontractor to perform in accordance with previous contracts.
  9. Failure or refusal of the Subcontractor to perform the work.
- c. If the Contractor is making a change to a named WMBE Subcontractor, then the Contractor shall use good faith efforts to recruit another WMBE Subcontractor to do the Work.

**2002-2012 Purchasing WMBE Spend  
City of Seattle**

Purchasing WMBE Spend			
Year	Percentage	WMBE \$ Amount	Total Spend
2002	3.1%	NA	NA
2003	2.4%	NA	NA
2004	2.4%	\$ 10,887,879	
2005	3.1%	\$ 11,210,456	
2006	6.3%	\$ 15,625,782	\$ 247,585,771
2007	11.0%	\$ 30,962,645	\$ 280,596,053
2008	9.9%	\$ 29,388,475	\$ 297,370,096
2009	13.0%	\$ 34,009,368	\$ 261,960,161
2010	13.5%	\$ 30,049,624	\$ 221,979,374
2011	12.7%	\$ 29,073,312	\$ 228,715,570
2012-Q2	12.0%	\$ 11,861,832	\$ 98,768,562



\*2002 % 2003 is a percentage that reflects consultant and purchasing in a combined total. All data is sourced from City WMBE Spend Reports.

\*2011 includes WMBE spend for CBRE/FAS (\$841,000) 2012 includes \$350,000 CBRE/FAS

\*Produced by City of Seattle, PCSD, 6/19/12



Exhibit 6

Annual report on workforce and contracting equity  
City Leadership positions by race

American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Nat Hawaiian or Oth Pac Islander	Two or More Races	White	Grand Total
0.60%	13.70%	7.70%	6.60%	0.50%	4.60%	66.30%	100.00%
3,881	83,537	47,113	40,329	2,246	27,976	403,578	608,660

Seattle Population Characteristics  
2010 Seattle Census Summary File  
Grand Total

American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Nat Hawaiian or Oth Pac Islander	Two or More Races	White	Grand Total
0.86%	11.94%	6.75%	5.25%	0.48%	4.81%	69.91%	100.00%
3,508	48,874	27,635	21,494	1,979	19,672	286,174	409,336

U.S. Census Bureau 2006-2010  
Labor Workforce Statistics  
Grand Total

American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Nat Hawaiian or Oth Pac Islander	Two or More Races	White	Grand Total
1.62%	11.93%	12.00%	3.83%	0.84%	1.95%	67.83%	100.00%
25	184	185	59	13	30	1,046	1,542

Director/Manager/Supervisor  
Grand Total

American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Nat Hawaiian or Oth Pac Islander	Two or More Races	White	Grand Total
1.12%	7.87%	14.04%	2.81%	0.00%	0.56%	73.60%	100.00%
2	14	25	5	0	1	131	178

Director  
Grand Total

American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Nat Hawaiian or Oth Pac Islander	Two or More Races	White	Grand Total
1.54%	10.96%	12.28%	3.95%	0.22%	2.41%	68.64%	100.00%
7	50	56	18	1	11	313	456

Manager  
Grand Total

American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Nat Hawaiian or Oth Pac Islander	Two or More Races	White	Grand Total
1.76%	13.22%	11.45%	3.96%	1.32%	1.98%	66.31%	100.00%
16	120	104	36	12	18	602	908

Supervisor  
Grand Total





RACE & SOCIAL JUSTICE  
INITIATIVE

ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.

**Exhibit 7**

**Contracting and Workforce Equity  
Statement of Legislative Intent  
July 9, 2012**



RACE & SOCIAL JUSTICE  
INITIATIVE

ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.

**Workforce Equity  
and the  
Race and Social Justice Initiative**

(fill in the blank) training

Integrating RSJI and workforce equity into  
all human resources training

 RACE & SOCIAL JUSTICE INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

**Our vision:**  
Racial disparities have been eliminated and racial equity achieved.

**Our goal is to eliminate racial inequities in the community:**

- Education
- Community / economic development
- Health
- Jobs
- Criminal justice / public safety
- Housing
- Environment

 RACE & SOCIAL JUSTICE INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

**Mission:**

- End institutional racism in City government.
- Promote inclusion and full participation of all residents.
- Partner with the community and other institutions to create racial equity.





RACE & SOCIAL JUSTICE  
INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

**Individual racism:**

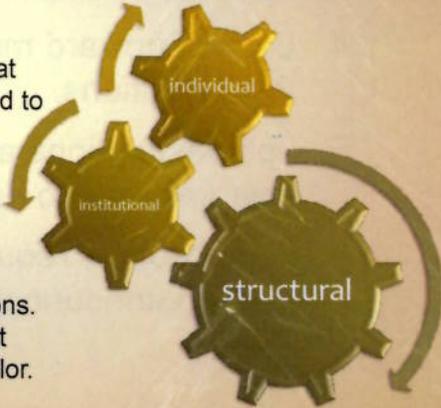
- Pre-judgment, bias, or discrimination by an individual based on race.

**Institutional racism:**

- Policies, practices and procedures that work to the benefit of white people and to the detriment of people of color, often unintentionally or inadvertently.

**Structural racism:**

- A history and current reality of institutional racism across all institutions. This combines to create a system that negatively impacts communities of color.





RACE & SOCIAL JUSTICE  
INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

**Workforce equity examples of institutional racism:**

1. Job descriptions that put undue emphasis on college degrees over work experience.
2. Unnecessary use of criminal background checks.
3. Recruitment strategies that are targeted to “historically represented” groups.



RACE & SOCIAL JUSTICE  
INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

Workforce equity examples of institutional racism (continued):

4. Lack of upward mobility strategies for entry level positions.
5. Job descriptions and performance evaluation systems that do not integrate RSJI.
6. Unnecessary requirement for a driver's license in a job announcement



RACE & SOCIAL JUSTICE  
INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

**Workforce Equity Planning and Advisory Committee**

- Works to ensure that the City's work force reflects Seattle's population
- Co-chaired by the Personnel Department and Office for Civil Rights
- Includes departmental expertise, both in human resources and RSJI



RACE & SOCIAL JUSTICE  
INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

**RSJI Annual work plans**

Workforce equity is one of the core “foundational strategies” that is included in all department’s RSJI Annual work plans. In 2012, departments are:

1. Conducting an analysis of positions to determine which job categories are not representative of Seattle’s diversity.
2. Developing strategies for recruitment and retention of employees in classifications where diversity is lacking.
3. Training hiring managers, supervisors and other staff involved with human resource processes on HR RSJI best practices.



RACE & SOCIAL JUSTICE  
INITIATIVE

**ADVANCE OPPORTUNITY.  
ACHIEVE EQUITY.**

**To help achieve racial equity, you can:**

- Learn more about RSJI on our web site:  
<http://inweb/rsji/>.
- Become a member of your department’s Change Team. Help implement your department’s RSJI work plan.
- Participate in RSJI training:  
<http://inweb/rsji/training.htm>.
- Use the Racial Equity Toolkit in your work on a routine basis.

