

DATE: March 21, 2016

TO: Mayor Stokes and City Councilmembers

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SUBJECT: City of Bellevue Minority and Women Business (MWBE) Inclusion Plan

**Background:**

The City Council's vision statement, "Bellevue Welcomes the World. Our Diversity is our Strength," underscores the value in diversity and recognizes the opportunities and benefits for all when the City leverages diversity in everyday business practices. In efforts to uphold the City's commitment to the diverse communities it serves and its core values in exceptional public service, institutionalizing economic opportunities for Minority and Women-Owned business enterprises (MWBE) is essential.

The City of Bellevue's Procurement and Diversity Advantage teams are collaborating to examine the current policies, practices, and procedures in the procurement process and make recommended changes to enhance equity, access, inclusion and opportunity in the areas of:

- Promoting business development of MWBEs through education and outreach.
- Increasing the number of MWBE businesses registered on our procurement roster.
- Establishing a procurement process system that is equitable whereby a fair percentage of contracts be awarded to MWBEs.
- Encouraging and assisting COB staff in equitable procurement processes.

**Baseline - Current Practices:**

The City's current Procurement practices adhere to Title VI requirements and are two-fold:

- 1) For all contracts, include one disadvantaged business in solicitation notice, when available.
- 2) Advertise in publication sources that reach disadvantaged classes.

The City complies with the first requirement by selecting "all" vendors in a work category on the roster. For transportation projects, the selection of at least one disadvantaged class contractor or subcontractor in the "short list" of finalists is encouraged.

The City advertises two times per year to encourage businesses to register on the City's procurement roster (the "Roster"). Advertising is done in the City's paper of record, *The Seattle Times*, as well as seek out opportunities to send the public notice to minority publications such as *Contracts and Careers*, *Northwest Asian Weekly*, and *The Skanner*.

The Job Order Contracting program requires that the general contractor submit an outreach plan to the State's OMWBE office (per RCW 39.10.130) and this plan must be approved at the State level. Annually, the City must send a report to the State verifying how well the general contractors have executed to meet their outreach plan. Current work is underway to gather the 2015 data to complete this report.

The following data was gathered to establish a baseline of the City's current contracting and awarding from the last three years (2013-2015):

- Total number of active MWBE vendors and contractors in COB roster is 2.33%; total active small businesses in COB roster is 7.45%
- Total combined City procurement spend over the past three years (2013-2015) on Minority owned businesses was 1.3% and for Women owned businesses 2.1% for a total combined amount of 4.4%.
- The City's peer institutions currently have the following goals in MWBE spend: City of Seattle 13.2% and WSDOT 18.7% mandatory goal for all disadvantaged classes and 26% aspirational.

### **What does this mean?**

The City's Procurement practices are compliant to State regulations, but there are areas of opportunity where the City may enhance and develop processes that are more robust to ensure equitable and fair outcomes.

With only a combined total of less than 10% active MWBE and small businesses on the COB roster, the City recognizes that it can improve its outreach and solicitation processes to stimulate a more competitive and diverse pool of vendors in the City directory.

Additional work is needed to educate the business community about City procurement, supplier and RFP processes to lower barriers to successfully compete for COB business opportunities.

The City's total procurement spend for MWBE in the last three years totals less than 4%, which falls significantly below targets compared to peer institutions. New COB aspirational targets for MWBE (spend level) and staff training would encourage greater efforts and accountability to increase MWBE awarded contracts.

### **Recommendations: Expected timeline and scope of work**

This work will be multi-tiered and will require strategic partnerships and input from across City departments. Additional subject matter expertise may be required to inform best practices. This will require the formation of a COB interdepartmental team co-lead by Finance and Diversity.

#### **Phase I:**

- Organizational Analysis: Research and Self-Assessment (present – Q1-2017).
- Development of guidelines and target/aspirational goals (Finalized for Q1-2017).
- Council and Leadership Updates (Q1 – 2017).

Phase II:

- Training and Implementation of guidelines and procurement systems tracking (Q3-2017).
- Enhance support, engagement and solicitation of MWBE on procurement opportunities and how to conduct business with City of Bellevue (present to Q4-2017).

Phase III:

- Monitoring and evaluation of accountability measures and impact (report due Q3-2018). Report will be issued yearly.