

Office of the Mayor City of Seattle Bruce Harrell, Mayor

## Executive Order 2023-07: Equity and Opportunity in City Contracting

An Executive Order to expand equity and opportunity in City contracting, focusing on women- and minority owned businesses (WMBEs).

WHEREAS, the City of Seattle spends on average \$900 million annually on procurement, including goods and services, public works, and consultant services; and

WHEREAS, the City of Seattle has a responsibility and an opportunity to support firms that have been historically excluded from access to government work; and

WHEREAS, women and BIPOC (Black, Indigenous and People of Color) -owned firms are historically disproportionally underutilized in public contracting; and

WHEREAS, firms owned by certain communities of color, particularly Black-owned firms, are disproportionately underutilized; and

WHEREAS, women and BIPOC workers are underrepresented in the construction trades; and

WHEREAS, the City of Seattle has a deep commitment to end institutional racism in City government and achieve racial equity across our community; and

WHEREAS, I-200 codified as RCW 49.60.400 reads, "The state shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting" and the then-sitting governor issued Executive Order 98-01 to implement the initiative; and

WHEREAS, as a result of court decisions clarifying the scope of options available to state agencies to address evident discrimination, State of Washington Governor Jay Inslee rescinded Executive Order 98-01 and issued Executive Orders <u>22-01</u> and <u>22-02</u> supporting equity in public contracting; and

WHEREAS, the City of Seattle is fortunate to have a strong federal government partner in the Seattlebased U.S. Small Business Administration Region X office, which shares a commitment to create opportunities for women- and BIPOC-owned businesses; and

WHEREAS, the Supreme Court decision that effectively ends race-conscious admission programs at colleges and universities does not apply to opportunities in City Contracting; and

WHEREAS, the City of Seattle has had a program to support women- and minority-owned businesses (WMBEs) for the past 40 years; and

WHEREAS, the Citywide WMBE Program, led by the Department of Finance and Administrative Services (FAS), offers key community engagement, technical assistance and reporting and accountability programs; and

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WHEREAS, over the past 10 years, the Citywide WMBE Program has doubled the percentage of WMBE spending on goods and services and consultant contracting; and

WHEREAS, the City of Seattle is engaged in a Citywide disparity study to better understand inequities in public contracting; and

WHEREAS, the City of Seattle has a program to support women and BIPOC workers on Citywide construction contracts called Priority Hire; and

WHEREAS, the City of Seattle has business development resources available to support small businesses and women-, BIPOC and LGBTQ+ owned businesses through the Seattle Office of Economic Development; and

WHEREAS, there are key efforts the City of Seattle can and should undertake in the immediate future to advance contracting equity; and

WHEREAS, equity and inclusion are essential to building relationships and improving outcomes in Seattle communities, especially for marginalized communities, including immigrants, who are among our most vulnerable residents; and

WHEREAS, ensuring equitable contracting opportunities for BIPOC and women-owned businesses and expanding access to construction trades for women and BIPOC workers gives the City of Seattle access to a wider array of business solutions, helps drive innovation, and strengthens economic growth;

NOW, THEREFORE, I, Bruce Harrell, Mayor of Seattle, hereby order the City of Seattle shall take these actions to advance contracting equity:

# Section 1: Engaging and Partnering with the WMBE Community

- A. The Mayoral WMBE Advisory Committee established through Executive Order 2019-06 shall continue to convene. The Advisory Committee shall be composed of representatives of WMBE-owned businesses and of organizations that advocate for contracting equity. The Committee shall provide guidance and feedback on City of Seattle contracting equity initiatives. FAS shall provide staff support for the Advisory Committee. The Advisory Committee shall submit a memo to my office annually outlining recommendations to improve contracting equity.
- B. Each City office/department shall continue to develop and submit an annual outreach plan detailing strategies to engage with the WMBE community, particularly focusing on BIPOC-owned firms. Strategies shall include regular attendance of community events and City-created opportunities for engagement.

## Section 2: Expanding Contracting Equity for BIPOC-owned firms, focusing on Black-owned firms

A. Beginning in Q4 2023, departments shall regularly hold or attend engagement opportunities focused on connecting Black-owned and BIPOC firms with City department project managers and procurement professionals. Opportunities could include but need not be limited to: presentations at community-led events, FAS' "Doing Business with the City" events, industry or department-specific meet-and-greets, events in collaboration with other public agencies or reverse vendor trade shows.

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- B. In 2024, FAS shall develop a tool that City offices and departments can use to conduct a review to ensure all internal training materials emphasize the importance of contracting equity for BIPOC firms. FAS shall incorporate use of this tool into the Citywide WMBE training (see Section 5A).
- C. In 2024, FAS shall develop a tool that City offices and departments can use to engage in a race and social justice analysis for every procurement policy decision to ensure equity for BIPOCowned firms and BIPOC employees of firms doing business with the City. FAS shall incorporate use of this tool into the Citywide training (see section 5A).

## Section 3: Providing Resources and Support for WMBEs

- A. FAS has launched an RFP to identify a consultant or consultants that will offer technical assistance to firms that want to do business with the City, with a focus on WMBE firms. This consultant shall actively start work by Q1 2024.
- B. Each City department shall offer regular engagement opportunities between City staff and WMBEs. As noted in 2A, these opportunities may include, but need not be limited to: presentations at community-led events, FAS' "Doing Business with the City" events, industry or department-specific meet-and-greets or reverse vendor trade shows, navigation to resources such as capital and digital access.
- C. FAS shall identify key improvement areas in communication and outreach efforts within existing procurement practices and work with the Office of Immigrant and Refugee Affairs (OIRA) and other key departments to improve them. FAS shall continue leading the Language Access in Contracting Interdepartmental Task Force (IDT). The IDT shall submit updates to FAS, OIRA and other key department directors on plans and progress to make Citywide contracting more accessible to immigrant business owners who speak languages other than English.
- D. FAS shall continue to work with the IT Department and other departments as needed to replace or upgrade the City's Online Business Directory to make it a high-functioning and easy-to-use-tool that connects City offices and departments with firms that want to do business with the City.
- E. By Q1 of 2024, FAS shall expand the onboarding process for blanket contract holders. Ideas for expansion could include personalized on-boarding meetings or meet-and-greets with departments that use contracts.

## Section 4: Strengthening Accountability and Transparency

- A. FAS shall continue to manage the implementation of the Citywide disparity study, a large-scale study that seeks to evaluate if WMBEs have equal access to contracting opportunities and establish recommendations to enhance contracting equity. All offices and departments shall prioritize disparity study data and information requests from FAS and the consultant.
  - 1. FAS shall work with the consultant to publish the disparity study by the end of 2024.
  - 2. Within 12 months of the release of the disparity study, FAS shall work with internal and external stakeholders, including the WMBE Advisory Committee, to create an action plan that addresses any recommendations that arise out of the disparity study.

- B. The City shall continue to establish annual contracting equity performance indicators, which will be included in department and office director performance agreements. Indicators include, but are not limited to, departmental WMBE utilization in purchasing and consulting procurements and prompt pay performance. FAS shall lead the annual process to develop performance indicators and offer department guidance on best practices for forecasting spending.
  - 1. To identify potential disparities for BIPOC-owned firms, each City office/department shall continue to track and measure WMBE utilization broken down by race/ethnicity.
  - 2. To identify potential disparities for BIPOC and women workers, FAS shall continue to track construction workforce diversity by race/ethnicity for City capital departments.
- C. FAS shall publicly post WMBE spend reports broken down by office/department on a quarterly basis. FAS shall also produce an annual summary of WMBE utilization by the end of Q2 each year.
- D. Each office/department shall assign one representative to actively participate in the WMBE interdepartmental team (IDT) and any subgroups that FAS facilitates to address the Citywide WMBE Program. The IDT should be a space for departments to offer comments and suggestions on the WMBE program and for FAS and other departments to provide technical assistance and share best practices with other departments. The IDT shall submit regular updates to the FAS department director on plans and progress.

## Section 5: Improving City Policy and Practices

- A. In 2024, FAS shall work in sync with my office to evaluate the impact of policy changes on the state level resulting from State Executive Orders 22-01 and 22-02. FAS shall particularly examine the OMWBE-developed Tools for Public Spending, including forecasting tools, and assess if and how the City can adapt and apply these tools.
- B. FAS shall lead the City in identifying and evaluating the impact of potential changes to procurement and public works policies that could improve equity in City contracting. Areas of exploration include but are not limited to forecasting, experience or other bidding requirements, competitive solicitation thresholds, blanket contract structure, job order contract utilization, small works roster development, unbundling, bonding requirements, review of the City's Consultant Roster program, certification requirements and alternative public works. By the end of 2024, FAS shall submit a memo to my office detailing a work plan to implement these policy changes; understanding additional recommendations will arise from the disparity study.
- C. In 2024, FAS shall lead a pilot to explore ways to improve the inclusion plan process on consultant contracts to ensure contracting equity. In 2024, FAS shall lead Citywide changes to the consultant contract inclusion plan process and plan to pilot for the WMBE Inclusion Plan used for public works construction projects.
- D. By Q2 2024, FAS shall develop and launch a WMBE training for Citywide staff who work with procurement or WMBE policy issues. The training shall include forecasting, goal setting, and best procurement practices.

#### **Section 6: Expanding Contracting Equity**

- A. The City of Seattle shall recognize that other communities are also impacted by contracting equity, including LGBTQ-owned businesses, veteran-owned firms, immigrant-owned businesses, and other small businesses. I direct FAS to continue to explore ways to advance opportunity for these firms using the input of the WMBE advisory committee and any disparity study results.
- B. The City of Seattle shall continue to meet annual federal Disadvantaged Business Enterprise (DBE) delivery and reporting requirements and explore ways to maximize small business participation on FTA funded projects.
- C. By Q3 2024, the City of Seattle shall work with the Small Business Administration Region X to enter a strategic partnership to align outreach and engagement efforts for City of Seattle and federal government programs that create contracting opportunities for small businesses that are womenand/or BIPOC-owned.
- D. The City of Seattle has strong programs to support business development, technical assistance, workforce development, and contracting equity housed in FAS, the Office of Economic Development, and several other departments. On an ongoing basis, these departments shall collaborate and coordinate to create a streamlined service delivery model and develop a holistic suite of services for WMBEs and other small businesses.

Questions regarding this Executive Order should be directed to Finance and Administrative Services Inclusion Advisor Edwina Martin-Arnold or Purchasing and Contracting Division Director Presley Palmer.

Dated this 1<sup>st</sup> day of November, 2023.

Bruce Q. Hanell

Bruce A. Harrell Mayor of Seattle