



DOING BUSINESS WITH THE CITY

VOICES OF MINORITY AND WOMEN-OWNED BUSINESSES



City of Seattle



DYNAMIC AND INNOVATIVE
RESEARCH SOLUTIONS

ACKNOWLEDGEMENTS

We would like to first thank all the businesspeople across various areas/industries who agreed to participate in this project – both the survey and listening sessions. Thank you for being open, forthcoming and trusting us with your experiences.

This was a large project, and it took several people to complete it. We would like to thank all those who contributed to everything from the conceptualization, data collection, data analysis, writing and visualization of this report.

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INTRODUCTION

The purpose of the *Doing Business with the City of Seattle* survey and listening sessions was to better understand the experiences of minority-owned and women owned businesses. Specifically, the goals were to: a) identify the barriers to entry and equitable access to consultant/contracting opportunities; b) identify the gaps and resources available to potential consultants/contractors and; c) explore what can be done to close those gaps to ensure a more inviting and equitable process for women and minority owned businesses.



ABOUT THE RESPONDENTS

Over 160 business, women and minority owned business owners completed the Doing Business with the City of Seattle survey. In addition to the survey, we also conducted four 90-minute focus groups and twelve 60-minute in-depth interviews with consultants/contractors who either have or have not contracted with SPU. The purpose of the focus groups and in-depth interviews were to gain additional knowledge and provide context to the survey data previously collected.

Focus Groups: We had 4 focus groups with a total of 14 participants. 8 of the participants were OWMBE certified, 10 are in the City of Seattle directory, 10 individuals shared they had more than 5 years with their companies/experience, with regards to businesses offered – 1=construction, 4=goods and services, 7=consultant and 2=other.

14
Focus group participants

8 OWMBE Certified
10 in City of Seattle Directory
10 had more than 5 years with their companies/experience
1 in construction, 4 in goods and services, 7 in consulting, 2 in other

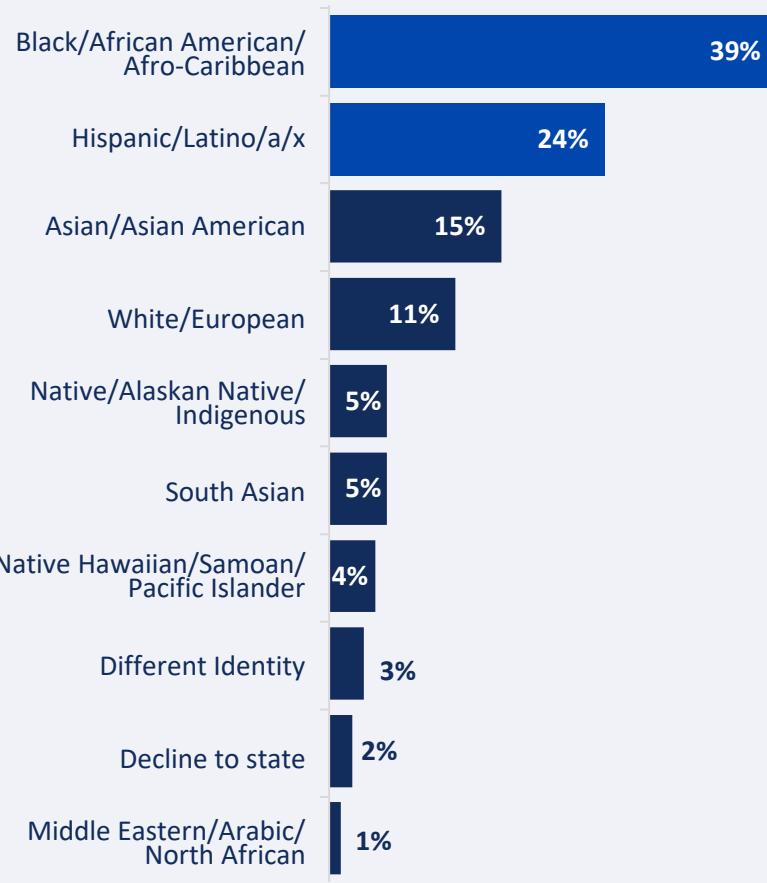
Interviews: Twelve representatives of women minority owned business enterprise (WMBE) participated in one-to-one interviews. All but one have been in business for more than five years. Five firms offer professional services; two offer non-professional services; three offer public works, and two offer other types of services or goods. Businesses offered an array of services and goods including, water treatment, arts, coaching, training, consulting, education, construction, janitorial, purchasing, project management, software, and trucking. Six are certified by the WA State Office of Minority and Women's Business Enterprises (OWMBE); four are not; one is in the process of being certified; and one was unsure as to whether they are certified. Two of the non-certified entities expressed that they felt the process of certification was too difficult. Seven of the businesses are in the City of Seattle Online Business Directory, four were not sure if they are, and one is not. Businesses that had bid for contracts had done so as prime and subcontractors; they had submitted from zero to five bids. Three reported that their bids were successful. Almost all are interested in pursuing contracts with the City of Seattle.

12
Interview participants

6 OWMBE
7 in City of Seattle Directory
11 have been in business for more than 5 years
5 offer professional services, 2 offer non-professional services, 3 in public works, 2 in goods and services

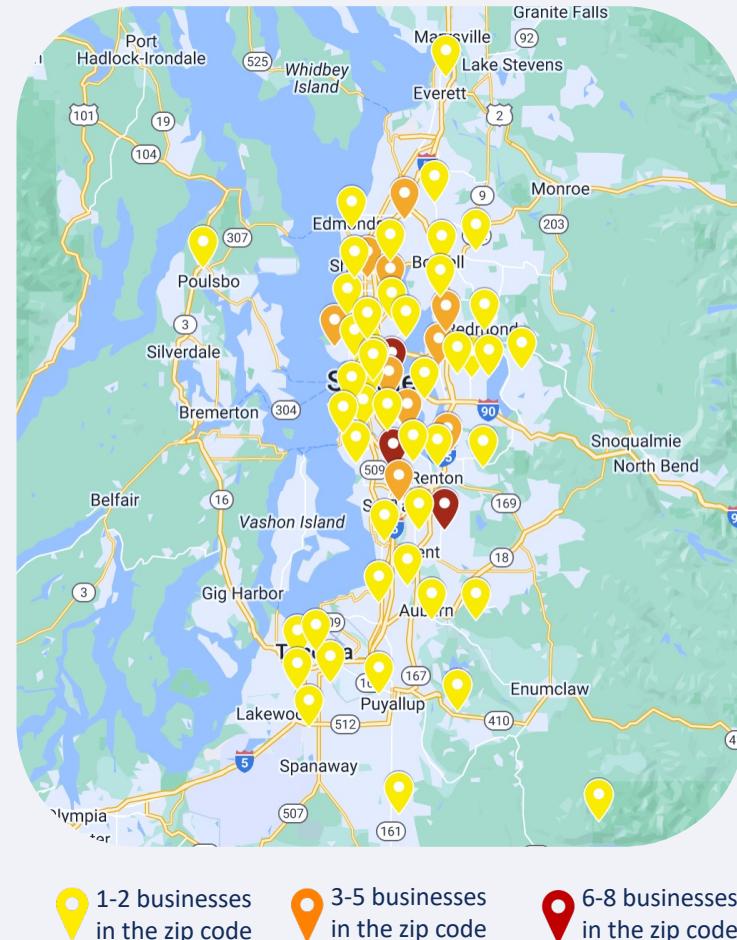
ABOUT THE SURVEY RESPONDENTS

More than a third of survey respondents identified the owner of the firm as Black/African American/Afro-Caribbean.



Respondents could select more than one response, therefore percentages will equal to more than 100%. Different identity included Fiji Islander, Mixed Race Asian/White, Southeast Asian American, and Mayan Indigenous.

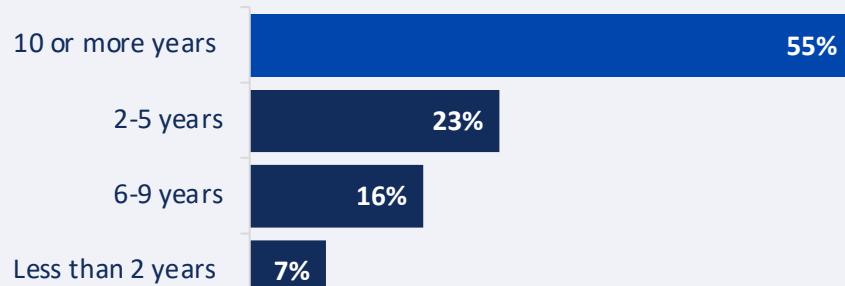
The vast majority of survey respondents lived in metro Seattle.



Note. Businesses also spanned other areas of Washington, Oregon, California, Colorado, Texas, Georgia, Wisconsin, Illinois, Florida, Tennessee, Montana, and Maryland.

ABOUT THE SURVEY RESPONDENTS CONT.

More than half (55%) of survey respondents said their business has been in operation for 10 years or more.



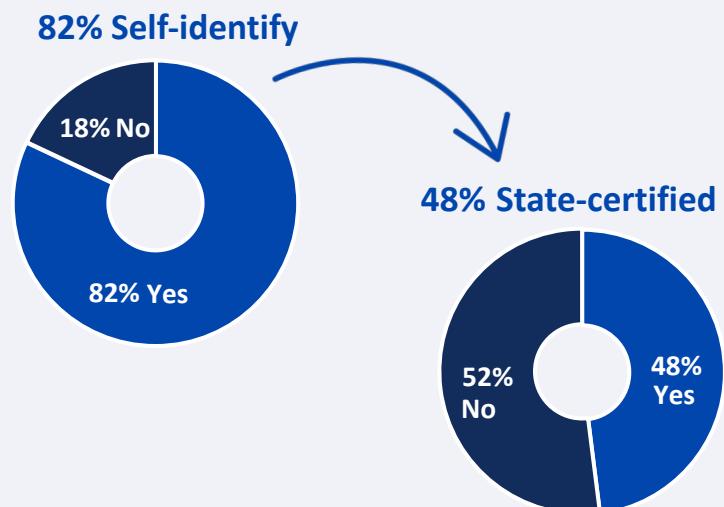
80% of survey respondents said they are current registered with the City of Seattle's Online Business Directory.



Almost half (46%) of survey respondents said their business were in consulting.



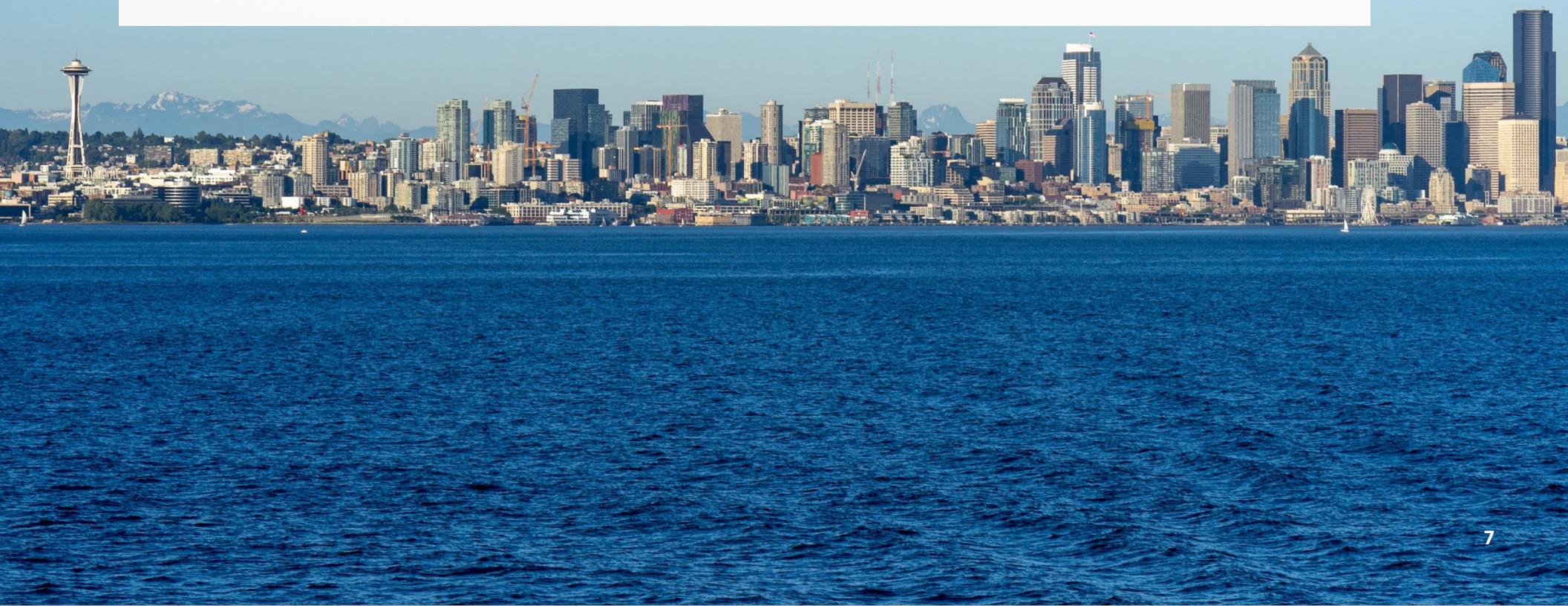
While 82% of survey respondents self-identified as a Women and Minority Owned Business (WMBE), only 48% were state-certified through Washington State's Office of Minority and Women's Business Enterprise.



WHAT WE DID

Participants were asked questions specific to their level of engagement with the bidding process. Participants who never submitted a bid for a contract with the City were asked about their knowledge of the bidding process and the reasons why they did not submit a bid. Participants that had submitted a bid were asked about what factors motivated them to place a bid. All participants, regardless of whether or not they submitted a bid were asked about the supports/resources they felt were/would be beneficial during the process. All focus groups and interviews were completed either in-person and via Zoom conferencing then were recorded, transcribed verbatim and analyzed.

Descriptive survey data were collected and analyzed using Qualtrics. Focus group and interview data were coded using ATLAS.ti software. Content analysis was completed in a two-stage process. First, a thorough reading of the transcribed focus group/interviews was done to identify and code meaningful units in the text. Secondly, codes referring to the same or similar content were grouped into themes and sub-themes.



WHAT WE LEARNED

THE BIDDING PROCESS

LONGSTANDING EMBEDDED INEQUALITIES

CAPACITY CONCERNS

PERCEPTION OF THE CITY



THE BIDDING PROCESS

THOSE WHO DID NOT BID

Limited Knowledge and Lack of Awareness

All participants that had not yet submitted a proposal stated that their knowledge of the bidding process was limited. Of all the participants who have not applied for a bid with the City, it was very common for participants to express that they knew very little about the process involved with submitting a proposal. Participants also expressed a lack of awareness about opportunities and ignorance about where to find them. One participant offered: "I'm not even sure where I would go to find them." and another questioned whether they were looking in the right places. Others expressed that visibility of projects was not optimal. This sentiment was summed up by a participant: "Unless we're looking for it directly, it's not really showing up on our doorstep."

Other Reasons for Not Bidding

Participants that had not put in a bid with the City were very vocal about why they had not yet submitted a proposal. Some of the reasons mentioned was a high chance of failure in the bidding process and not seeing examples of WMBE firms who have been successful. As one participant shared, referring to WMBE:

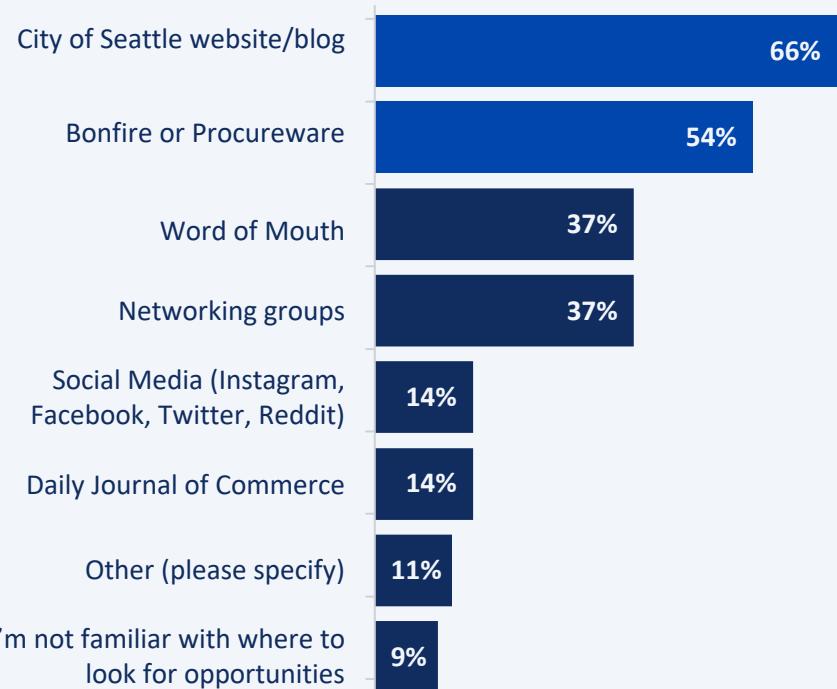
"There's quite a few companies that are like mine, that they don't even bid on the work because they know who gets all the work."

Several other participants cited a lack of visible examples of successful bids and experiences of WMBE as a significant factor in their lack of motivation to engage in the process. A participant eloquently outlines this reasoning:

"I think once we see other successful minority businesses, in return, given the opportunity to work, we would apply more. We know that the quotas are not being met. I speak for a lot of minority businesses ... I think if we're given a chance, or see a little vision of window of opportunity, I think it would encourage us more to apply..."

Multiple participants cited a lack of confidence and reluctance to bid due to deleterious past experiences with the City of Seattle, from cancellations of RFPs and contracts at the last minute, to more serious consequences such as losing capacity, equipment, or property.

Two-thirds (66%) of survey respondents learn about or look for bidding/contract opportunities with the City through the City of Seattle website or blog.



Respondents could select more than one response, therefore percentages will equal to more than 100%.

THOSE WHO CHOSE TO BID

Diversity - WMBE Requirements

Some participants noted that they paid attention to requirements around diversity as a factor that influenced their decision to bid. Specifically, paying attention to the WMBE requirements, and seeing “minority participation quota goals” on the project is influential, as well as the promise of contributing “meaningful work.”

Smaller Bidding Pools

One participant explained that the opportunity to participate with smaller pools of bidders for *projects through the Office of Arts & Culture's Public Art Artist Roster* not only increased their confidence in success, and motivation to apply, but allowed them to gauge the level of effort employed on any given application.

Responsive staff

A few participants praised the responsiveness of the City’s staff and found communicating with them to be helpful, even though the staff member did not always have an answer for their question. A couple of other participants expressed how pleased they were with their experiences bidding with the City of Seattle. They cited helpful and effective walkthroughs, easy access to the program manager, a clear and reasonable application, and informative contacts at the City. A participant summed up their experience by stating the following:

“The whole experience, for me and our team, was a very good experience. Right from the bid process to submittal, the signing of the contracts, the execution of the contracts, and then the engagement itself and the interaction with the team at the City, they are extremely responsive.”

While several participants indicated a positive experience in the bidding process, there were several others who did not share in that sentiment.

Slightly more than half (53%) of survey respondents were not aware of support resources provided by the City of Seattle and slightly less than half (47%) took advantage of support resources provided.



Respondents could select more than one response, therefore percentages will equal to more than 100%.

BARRIERS TO THE BIDDING PROCESS

Although several participants submitted at least one bid, they also shared some of the challenges they experienced during the bidding process. Here is what they had to say.

Contacts and Communication

Several participants were challenged by the absence of a reliable contact at the City. First, they did not know exactly who to contact. Individuals felt the person with pertinent information and decision-making power are often elusive. Sometimes there were multiple City employees, making communication confusing. A participant reported a scenario in which, “for each section, you had a different person that you would contact [by] email and call.” Even if there was an identifiable contact at the City, multiple participants reported communication failures on their end, not returning calls or emails in a timely manner, or at all. This lack of communication by City employees could have serious consequences for businesses. A participant described this situation:

“We did Zoom conference. It was maybe thirty of us on a Zoom, and two showed up to the walkthrough. Two showed up to the walkthrough because the person that was on the contact list, never checked their emails and their voicemail was full and couldn’t receive voice messages.”

Finally, participants cited staff turnover of their contact at the City as a challenge to navigate if they do not pass on their knowledge to the new employees.

Stressful Process

In addition to finding the bidding process to be overcomplicated, participants stated that they at times found the bidding process to be stressful. This sentiment was shared by participants that had submitted proposals in the past as well as those who never put in any bids. Another participant in the same group gave more information regarding how the stress of the bidding process informed their approach to developing a proposal:

“Stressful. Stressful. Very stressful... I would say it’s arduous enough that I might even potentially put it off ‘til I’m in the right state of mind to sit down on it. It shouldn’t be that difficult, ‘cause there’s a lot of things to stress about as a business. That is not something I should be nearly tearing my hair out about.”



BARRIERS TO THE BIDDING PROCESS CONT.

Overcomplicated Bidding Process

A few participants mentioned that they found the bidding process to be excessively complex. The complexity of the process has been described as diminishing participants' capacity to submit a successful bid. This is often due to the varying elements within the RFP, or the RFP being modified too close to the deadline for submission.

RFPs: Complicated and Confusing

Many participants described the bidding process as complicated and confusing, particularly for smaller businesses and WMBE. One participant described requests for proposals (RFP) as "information overload" with a preponderance of duplicate information, to the point of, "seeing the same thing over and over and over again and over again." A participant explains the vital importance of clarity in RFPs:

"That's where a clear definition of what an entity is looking for is really, really important, the write up of the document ... I'm not really clear as to what they're looking for. That's a disservice to everybody. What happens is, if you're not clear to me, you're not clear to anybody who receives it, which means you're going to get a lot of questions. You can cut down on the questions."

Multiple participants described how labor intensive and time consuming it could be to find one's scope of work in voluminous RFPs, up to five hundred pages in some cases. Another participant expressed that they struggled with the language used in the RFP. Even though they were interested in submitting a proposal, they did not find the information provided easy to understand:

"I will say on the RFP, because of the technical language and the way that it's written, I'll need a grant writer or an attorney to decipher everything and to respond..."

Four out of 10 survey respondents (40%) said that they did not pursue a bid/contact opportunity because of past experiences and not hearing about the opportunity in time.



Respondents could select more than one response, therefore percentages will equal to more than 100%.

BARRIERS TO THE BIDDING PROCESS CONT.

Timing and Time Challenges

First, there are multiple challenges with regard to timing. Participants explained that not everyone receives information about opportunities at the same time. For example: “A grouping of companies may get information fourteen days in advance, but another grouping of companies, will receive that information five days or seven days in advance. This could be particularly detrimental for smaller WMBE. **Second**, submission dates are often changed midstream. A participant reported that dates typically change three or four times. This can be disconcerting for bidders. **Third**, multiple participants expressed inadequate time to complete bids effectively. They cited inadequate time to wade through voluminous material, complete the “cumbersome” application, meet insurance requirements, and plan for certified payrolls. The time frame for the application was unrealistic and stressful enough for some WMBE bidders that they abandoned it before completion. A participant described the challenge:

“As a small minority firm, you need a little bit more time than the due dates that you’re given. You’re usually given notice of a project with about, maybe, two weeks max to get a bid proposal together. Then when you look at a bid proposal, like I said, there’s really no help. You’re looking at volumes of work.”

RFPs: Language Barrier

One participant expressed that they struggled with the language used in the RFP. Even though they were interested in submitting a proposal, they did not find the information provided easy to understand:

“...because of the technical language and the way that it’s written, I’ll need a grant writer or an attorney to decipher everything...”

More than half of survey respondents said that having staff explain or answer questions about the solicitation would have been helpful in responding to a bid/contract opportunity.



Respondents could select more than one response, therefore percentages will equal to more than 100%.



LONGSTANDING EMBEDDED INEQUALITIES

ESTABLISHED RELATIONSHIPS

Participants widely expressed dismay and discouragement that there is substantial, longstanding, deeply embedded inequity in opportunities to contract with the City of Seattle. As one participant shared; “There's quite a few companies that are like mine, that they don't even bid on the work because they know who gets all the work.” Participants communicated that there is a network privileged by history, size, and established relationships that dominates contracts, using terms and phrases such as, “nepotism”, “heirs”, “generations”, “big boys”, “bigger players”, “billionaires or multimillionaires”, “friends in very high places”, “in the know”, and “go to who they already know.” This discourages smaller entities that are not part of this network, as this participant shared:

“I've got friends who are serving the City right now and they've been there for years and it's like, 'Damn. How do you guys get in?,' 'Oh, it takes years to get in,' and it's like, 'Oh, great.' I would love to, I just haven't had a chance nor the opportunity. I've just gone commercial and work with other companies instead of just working with the City because of that.”

POOR TREATMENT OF SUBCONTRACTORS

Given the opportunity to serve as a subcontractor, participants complained about poor treatment by prime contractors and, at times, their diversity agents. First, they explained that if prime contractors feel forced to work with WMBE due to quota goals, their mood and attitudes can be unpleasant and unreasonable, as this participant related:

“Then they get grumpy. 'Yeah, we're just doing it 'cause we have to. We really don't want you here, but we have to have you here.' Maybe you can change the culture on how they think and how this is. It's taxpayers' money. It's not their money. It's taxpayers' money, so it's shared between everybody.”

PRIME SPIN-OFFS AND WHITE WOMEN

Participants explained that the uneven playing field is exacerbated by a common practice of larger, well-connected primes pushing out opportunities for small firms for potential subcontracting. A participant expounded by stating “The industry is crowded with second and third party prime contracting spinoff firms that keep all of the work internal. There's no inclusion.” Prime contractors create self-certified WMBE and use them instead of legitimate WMBE to meet quota goals. A typical strategy is outlined by this participant:

“There is an overabundance of self-certified, women-owned businesses that actually weren't in the industry. It was their either boyfriend or husbands that actually had their own business, and they created a woman-owned business.”

This contributes to dominance of White women-owned businesses in the WMBE ecosystem. A participant with previous experience on a City of Seattle committee related: “At one time, I've seen, for instance, fifty-six percent of White, women-owned businesses with a lot of the inclusion work. African Americans were down at like one percent. Hispanics were down at one, two percent.” One participant lamented the loss to retirement of employees at the City who, “were really sincere about legit women or minority-owned businesses ... because they're the real hope of getting some kind of work from the City.”

PRESSURE ON PRIMES

Rather than just encouraging work with a WMBE firm apply and communicating to prime contractors that they need their help in reaching quotas, participants explained that the City should play a more assertive role in preventing large, connected firms from dominating, particularly in construction.

CAPACITY CONCERNS



PERSONNEL

Capacity of WMBE firms to apply for bids and engage in projects was cited as a significant barrier to engagement by participants. For example, as one participant informed:

“Most minority-owned businesses have one or fewer employees, and so they’re doing everything. To be able to have the capacity to run their business, and then also take time out to see a proposal, work on it, and submit it, understand it, all of that can be a barrier.”

Having adequate personnel to effectively complete a bid that will result in a reasonable cost benefit ratio drives the initial capacity-based decision about project engagement. Then WMBE firms have to consider whether they have the workforce to actually complete the job. This is complicated by the precariousness of steady work for the business, which affects the stability of their employee roster. If WMBEs do not win contracts, employees leave or need to be let go. As this participant shared: “It’s tough employing people that are seasonal, so you train your own people. Then, sometimes, they leave because you didn’t get that job with the City.” Certain industries are dominated by workers who are not United States citizens, such as roofing, according to one participant. Requirements for American citizenship for workers on certain projects can diminish adequate capacity of WMBE. A participant shared the following:

“We have the struggles with regard to our resources which is adequate personnel, if it’s a project that we know we can bid - hey, look it’s a City of Seattle project, if we can do it with our personnel. Why [do we need to consider this]? We have three foremen who are American citizens, and we have two field guys who are permanent residents. We know ahead of time, okay, do we have the resources and personnel? Do we have the equipment? Do we have these things?”

RETENTION OF PAY

Retention of a percentage of earnings by the City until a project is finished is another deterrent for WMBE with limited financial capacity. Despite efforts to return retention in a timely manner, currently it can be held up by the City for “up to a year or more.” That can be an undue financial burden on a WMBE firm. A participant explained that pay can also be delayed when subcontractors get confused about the complex paperwork and deadlines, which is a common occurrence. They might “forget to dot an I or cross a T” and forego pay for an entire cycle, or worse.



TANGIBLE AND FINANCIAL RESOURCES

In addition to personnel, bidding for and completing contracts not only requires tangible resources and equipment, depending on the industry, but different types of financial investment up front. A participant explained, “There’s intent. There’s affidavits. There’s just a ton of paperwork that they need to be aware of upfront and the cost of these things before you even venture into a project.” Another participant gave an example of requirements through Job Order Contracting (JOC) in which the City issues a work order for a construction project less than \$500,000 directly to a prime contractor who is then required to subcontract ninety percent of the work. This offers significant opportunities for WMBE who want to be subcontractors, but the costs are not insignificant and might exceed organizations capacities. This participant shared:

“The city has a program called the JOC program, which is very beneficial, but they need to maybe sometime waive some of the insurance requirements, waive some of the certified payroll requirements, and one huge requirement is to reduce or waive the retention requirement and up their prompt pay process.”

UNDUE RISK AND LOW PROFITS

Participants explained that the financial risk is significant without the capacity of a large, flush organization because they “didn’t net enough to make it worth it” which is not uncommon.

This is detrimental, as one participant explained; “Because when you own your own business, your retirement and your 401K are not as assured and as lucrative as when you’re working for a large agency.” This participant lauded the City for their efforts for more equity but cautioned, “They can measure the success of that by a looking at the numbers. Meanwhile, do good doesn’t pay the bills.” If the City is fostering initiatives in which WMBE receive opportunities, but they are not making meaningful profits in those opportunities, that is not success.





PERCEPTION OF THE CITY



BIASES AND STEREOTYPES

Several participants described the current national environment that is hostile to diversity, equity, and inclusion initiatives and gave accounts of the biases and stereotypes that actively impact WMBE. A participant explained that opportunities for contracts with the City of Seattle are diminished for WMBE due to racial bias and discrimination:

"If you are a person of color, especially Native American, Brown, or Black, there is some unspoken assumption that there perhaps may not be as much excellence, efficiency, and professionalism. When you may be one of those that have crossed that barrier and they know that you're professional, that you're excellent, then you're considered the exception. There is this painted brush, which is why so many businesses don't want to be certified as DBE, Disadvantaged Business Enterprise. We're not disadvantaged. We are excellent at what we do."

Another participant acknowledged that despite best efforts, it is difficult to avoid bias and discrimination. They described their experiences as a WMBE for more than a decade:

"We've lost bids to other competitors, or we've gotten our bids chopped, just because they either don't want to work with us or, I've heard this before, they don't want to work with a certain company because they have a hard time communicating with their personnel, or certain derogatory remarks."

UNBALANCED HIRING BOARDS

Participants who have gone through the bidding process suggested a potential channel for racial discrimination is the racial composition of the hiring or work boards businesses must appear before when doing submissions. Participants explained that those boards are frequently made up exclusively or of a majority of White members which can be a forum for covert, but also blatant racial bias and discrimination. As one participant shared: "On that board, they'll judge you as you come in. It could be the look on your face or, this long beard I have on me..."



PRIME CONTRACTOR INCENTIVES

A lack of sufficient incentives and a lack of clarity about actual incentives for prime contractors to bring on WMBE can also exacerbate discrimination, as this participant outlined:

“It’s not clear how many points they give you in the submission of your bid because you had brought on diverse firms or any consideration for providing the time to provide mentoring or technical support for those firms. In other words, there’s no consideration that we will pay you for the time ... There’s a lack of clarification in that area. There’s a lack of incentives in that area ... Do you get any more points than the team that does not have those people? If I don’t get any extra credits for that, and the company that didn’t have as diverse a group, they lose maybe five points out of one hundred, well that’s nothing. If they lose forty percent, that’s something.”

PRIME CONTRACTOR PRESSURES

Participants reported that the pressures prime contractors face in the current political and economic environment, such as increasing strength of labor unions and tax revenues makes them less amenable to meeting goals of equity and inclusion of WMBE firms. They stated:

“You have owners like the City that can only slap the primes around so much. They can only threaten to give them so many sanctions if they’re going to bid with us. We have to play our cards extremely carefully if we want to do business with government ... The margin of profit is so small that if they are asked to do much more, they decide not to bid. We are running into situations where only one bidder is coming for some of these.”



RECOMMENDATIONS & STRATEGIES

The insights provided by participants in the survey, focus groups and interviews offer some considerations as The City of Seattle - Seattle Public Utilities Works to improve, promote, and support equity with WMBE firms (large/small). **The efforts to achieve this goal can be broken into five parts:**

- 1 INCREASING ACCESS AND UPDATING THE BIDDING PROCESS**
- 2 TRAINING AND SUPPORT FOR SMALLER AND NEWER BUSINESSES**
- 3 ADDRESSING INEQUITIES AND THE PERCEPTION OF INEQUITIES**
- 4 DEMONSTRATE COMMITMENT TO WMBE FIRMS**
- 5 BUILDING COMMUNITY AMONG BUSINESS OWNERS AND THE CITY OF SEATTLE**

1 INCREASING ACCESS AND UPDATING THE BIDDING PROCESS

Consistent with the survey results, several participants in the listening sessions, whether they completed a bid or not, found the current bidding process to be unclear, stressful with barriers to the process.

Increasing Awareness and Knowledge: Targeted consistent outreach through multiple media platforms: email, website, text, outreach events, culturally/ethnically relevant mediums (i.e., Facts news-paper).

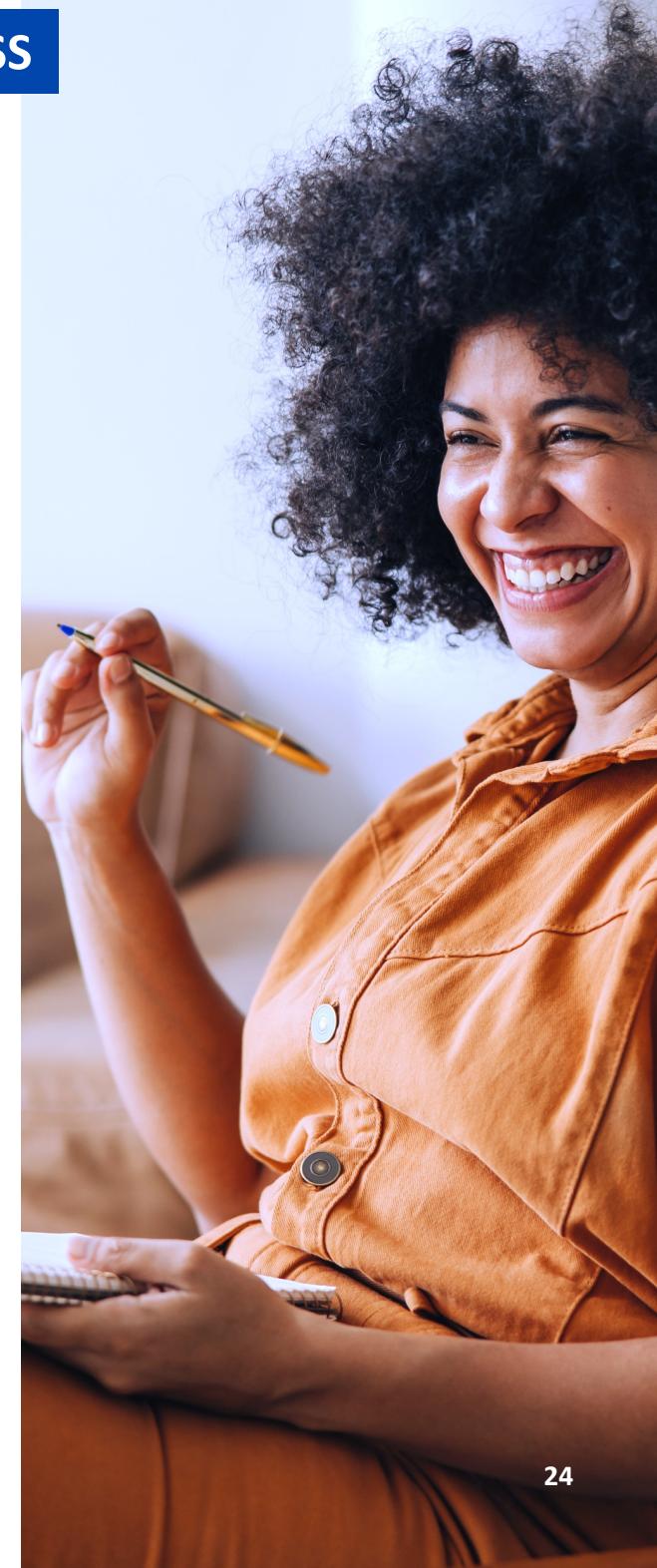
Pre-Bid Conference: Virtual or in-person bidders conference, networking events - opportunities for prime and subcontractors to connect. Also allow organizations to come together and potentially find partners that would position all parties in a way that allows for the development of a strong proposal.

Advance Notice (1-3 months): Some recommendations that came out of those conversations included providing business owners with sufficient notice before RFPs are advertised. This would give people a chance to decide if the bidding opportunity is a worthwhile endeavor, begin preparing to develop a proposal, and seek any needed support or assistance from the City (e.g., training).

Simplify Bidding Process: Simplify the bidding process so it is more accessible to smaller businesses that operate with fewer resources.

List of Bidders: If bidders are hoping to partner with a prime or another bidder, it would be helpful to know what other organizations are placing bids. It may also be helpful in order to gauge their likelihood of success.

Cancellations: Whenever possible, avoid last minute cancellations of RFPs or Contracts. Participants also discussed RFPs sometimes being modified just before the proposals are due. Going forward, the modification of RFPs close to the deadline should be minimized. If that is not possible, the deadlines should be extended to allow for time to update proposals. This gives firms (especially those with limited capacity) the message that City does not consider their time and effort to put together bids.



1 INCREASING ACCESS AND UPDATING THE BIDDING PROCESS CONT.

Successful WMBEs: Announce successful WMBE bids to increase confidence and motivation - This could be in the form of an announcement to all bidders who the successful bidder was accompanied by a scoring matrices.

RFPs: Simplifying the RFP language. This can be addressed by offering at least two bidders conferences. This provides potential bidders with an opportunity to ask questions for clarification and it also gives the City and opportunity to clarify any language or areas in the RFP that are unclear. It's another opportunity for feedback on the process.

- a) Preparing RFPs that are very clear about requirements and capacity needed for the project with a scoring rubric/matrix for each category being evaluated with dedicated points.
 - a) Points allotted for adding WMBE firms – must show evidence of established relationship or how they intend to work together.
 - b) Prioritizing proposals that include WMBE businesses (i.e., as primes or subs).

Smaller bid pools/unbundle projects: As part of the RFP bidding process, the City could unbundle projects wherever possible so smaller companies can bid on part of the work rather than always having to find a prime to bid with.

2 DEMONSTRATE COMMITMENT TO WMBE FIRMS

Flexibility: More flexibility in the requirements and standards that pertain to insurance, payroll and retention as it prevents many WMBE firms from doing business.

Incentives: Assigning meaningful and impactful points for prime contractors that engage WMBE as subcontractors to increase incentive, and penalties for firms that do not. Participants explained that the City should play a more assertive role in preventing large, connected firms from dominating particularly in construction, rather than just encouraging WMBE to apply and communicate to prime contractors that they need their help in reaching quota.

Forced Paired Ranking: A method of selection that eliminates response style or bias in rating scales.

Prime Evaluation: Develop a system or opportunity for WMBE to share with the City what their experience was like working on this project and as a subcontractor with that prime contractor. If issues/concerns arise, developing a mechanism to address it with both the prime and contractor.

3 TRAINING AND SUPPORT FOR SMALLER AND NEWER BUSINESSES

Many of the WMBE businesses that can provide the services needed by the City get left out of the bidding process because they lack the capacity to develop a proposal, or they do not fully understand the various aspects of the bidding process. As indicated by the survey 53% of participants were unaware of the resources provided by the City, and 47% had not taken advantage of these resources. There is an opportunity to revamp or create mechanisms that increase the number of bids submitted by WMBE businesses.

Resources: Either create another mechanism or revamp the existing First Friday event to provide focused trainings on the bidding process, where to finding bidding opportunities, and how to connect with City of Seattle staff for new small businesses or WMBE firms. Also direct new small businesses or WMBE firms to Tabor 100 for additional assistance.

Technical Assistance: Participants were nearly universal in their pleas for a more robust technical assistance offering with RFPs, the bidding process and beyond. Participants expressed “I’m not here to throw shade on everything, but I just think that the City could make a better effort, like I said, of helping smaller contractors with more communication and more time spent with them.”

Access to Dedicated City Staff: Providing streamlined access to a dedicated City staff person who should ideally be identifiable, reachable, and responsive in a timely manner within 24-48 hours of inquiry. This ensures potential bidders perceive a sense of support whether they access this service or not.

WMBE Liaison: Trained staff or some objective third party could be involved in the review of proposals and awarding of contracts to ensure that the City’s commitment to equity is being honored throughout the bidding process.

Timely Feedback: Some participants mentioned that not receiving sufficient feedback on their unsuccessful bids made it difficult when trying to determine how to improve their efforts going forward. With a clearly designed rubric, support staff could also review unsuccessful bids with bidders to help them understand how their bids could have been stronger. This feedback could be offered to bidders within a specified time period (within 2 weeks).

City of Seattle Staff Training: Multiple participants proposed more equity training, and specifically better training for the City’s minority inclusion managers. However, many participants emphasized that nothing is more powerful than active outreach and meaningful, on the ground engagement with minority communities that actually builds relationships. Building personal connection with WMBE firms is ideal.

4 ADDRESSING INEQUITIES AND THE PERCEPTION OF INEQUITIES

Participants were informed of the City's commitment to socially responsible procurement and the promotion of equity through its contracting practices, including the utilization of WMBE firms. Some participants indicated some level of uncertainty about whether or not this is occurring. In an effort to change the perception that the City is operating in an inequitable fashion, it will be important to operate with added transparency at various stages of the process.

Equal Racial/Ethnic Representation: Establishing standards for the composition of hiring boards that are balanced in racial/ethnic representation.

Self-Certification vs. OWMBE Certification: To be considered a WMBE firm, firms would have to go through the state certification process to reduce the number of fraudulent cases.

Accountability Measures: To support the idea of hiring supportive personnel while effectively working toward improving equity for WMBE businesses. Hiring an independent third party outside source (consultant) to be able to evaluate various parts of the process.

Commitment to Equity: As an organization, evaluating whether creating equitable opportunities for WMBE firms is an authentic motivation driven by an authentic desire/value to create and maintain spaces where all stakeholders have equal access to resources or is it mainly performative?

- a. Reporting back to WMBE firms and community stakeholders the steps taken to address concerns brought up through this report.

Models to Increase Equity in Opportunities:

- a. Washington State Department of Transportation Office of Equity and Civil Rights runs the Capacity Building Mentor Program, in which they match up prime contractors with small businesses.
- b. Office of Equity and Civil Rights has given grants and contracts to community-based groups such as Tabor 100 to provide technical assistance to small businesses, allowing them to pay technical assistance contractors at the market rate.
- c. Port of Seattle has a program called PortGen, that assists WMBE, micro-businesses, small businesses, struggling businesses, in multiple ways, to be successful.



5 BUILDING COMMUNITY AMONG BUSINESS OWNERS AND THE CITY OF SEATTLE

Community Engagement: Engaging in ongoing, active minority community engagement and relationship building. Participants consistently expressed a desire for more networking opportunities to engage with City staff and other contractors/consultants in hopes of partnering when opportunities for bids arise. There's also an opportunity for the City to move beyond providing networking opportunities by consistently creating spaces where bonds between companies can be formed and strengthened. Conferences, trainings, and events can be provided by the City or in partnership with other entities, particularly those that support WMBEs.

Rebuilding Relationships with WMBE firms: Some participants expressed that they felt ignored by the City or felt marginalized when they tried to engage in the bidding process. To reestablish these relationships it would be beneficial to hear from the members of the business community on a regular basis (at least once a year) to discover how their interests and needs shift over time so that events could be planned accordingly. Ongoing conversations with WMBE firms could potentially give rise to initiatives that could support the City's efforts to improve equity if they are planned adequately. Evidence of this can be tracked by monitoring the rate of WMBE bids and contracts over time.

