

# Diversity in Contracting 2022 Annual Report



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**Policy Directive**

**2022 Diversity in Contracting (DC) WMBE Results**

**2023 Goals**

**Moving Forward**



## Purpose:

Advance equity and address contracting disparities by increasing the utilization of Women Minority Business Enterprises and other disadvantaged firms

## Five-year Policy Benchmarks:

- Increase to 15% the amount of spend on WMBE contracts within 5 years (Baseline was **5.3%**)
- Triple the number of WMBE firms doing business with the Port (Baseline was **118**; Goal is **354**)

# 2022 WMBE Results





# 2016-2022 Port-wide WMBE Utilization

(\$ in Millions)

WMBE Utilization	2016	2017	2018 (Program Start)	2019	2020	2021	2022
Percent Utilization	5.30%	8.80%	8.90%	10.0%	10.90%	12.1%	12.6%
Number of Firms	118	200	258	296	318	344	351

**5-year goal is 15% utilization and 354 firms by 2023**

# 2022 Port-wide WMBE Utilization

(\$ in Millions)

Category	Total Port Spend	Total WMBE Spend	WMBE Utilization
Public Works (Construction)	\$203	\$15.1	7.5%
Non-Construction	\$269.2	\$44.2	16.4%
<b>Total</b>	<b>\$472.2</b>	<b>\$59.3</b>	<b>12.6%</b>

**WMBE Utilization improved from 12.1% in 2011**

# 2022 WMBE Utilization– Ethnicity Breakout

Ethnicity	Ethnicity Spend	Percent of Port Spend	Number of Companies
Asian	\$7.2 M	1.5%	37
Black or African American	\$10.3 M	2.2%	22
Hispanic/Latino	\$5.2 M	1.1%	28
Native American	\$3.1 M	0.7%	14
<b>Minority Ethnicity Total</b>	<b>\$26 M</b>	<b>5.5%</b>	<b>107</b>
Caucasian Women	\$11.8 M	2.5%	70



# 2022 WMBE Division Utilization - (Non-Construction)

Division	2022 Goal	2021 Actual	2022 Actual
Aviation (AV)	15%	12.3%	15.8%
Economic Dev. (EDD)	14%	15.8%	16.8%
Maritime (MD)	16%	13.8%	22.4%
Corporate	14%	15.3%	26.6%
<b>Port Wide</b>	<b>15%</b>	<b>13%</b>	<b>16.4%</b>

# 2022 WMBE Division Utilization (Non-Construction) - \*Corporate

Department	2021 WMBE Attainment (Percentage)	2022 Goal	2022 Attainment
Police	2.3%	5%	13.5%
Human Resources	22%	22%	22%
External Relations	19.9%	20%	20.1%
Office of Strategic Initiatives	83.7%	50%	71.1%
Internal Audit	7.7%	3%	2.2%
Labor Relations	40.9%	25%	25.1%
Diversity, Equity & Inclusion	7.9%	9%	9.9%
Engineering	11.5%	5%	40.3%
Environmental	0.1%	5%	20.4%
Central Procurement Office	5.1%	5%	0.1%
Legal	0.1%	1%	3.4%
Finance/ICT/BI	24.6%	19%	37%
Commission	10.9%	11%	16%

## Non-Construction

- 2022 WMBE Spend rose from previous year
- Actual dollars spent in 2022 reached an all-time high

Year	Port Spend	WMBE Spend	% Utilization	Utilization % Change (Year to Year)
2017	\$185.5	\$16.1	8.66%	Baseline
2018	\$180.2	\$16.5	9.15%	+0.5%
2019	\$208.7	\$25.3	12.11%	+3%
2020	\$199.9	\$33	16.50%	+4.4%
2021	\$205.6	\$26.7	13%	-3.5%
<b>2022</b>	<b>\$269.2</b>	<b>\$44.2</b>	<b>16.4%</b>	<b>+3.4%</b>

## Construction

- Total Construction spend in 2022 was low compared to previous years
- Total Construction spend included \$90M from a large specialized project from a previous year with low WMBE%
- Many projects were in planning and design phase in 2022, moving into construction phase in 2023

Year	Port Spend	WMBE Spend	% Utilization	Utilization % Change (Year to Year)
2017	\$230.4	\$19.1	8.27%	Baseline
2018	\$516.5	\$45.3	8.77%	+0.5%
2019	\$493.2	\$45	9.12%	+0.35%
2020	\$495.7	\$42.5	8.58%	-0.54%
2021	\$325.2	\$37.3	11.5%	+2.92%
<b>2022</b>	<b>\$203</b>	<b>\$15.2</b>	<b>7.5%</b>	<b>-6.6%</b>

## Training and Opportunities

- Improved and refined 101, 201, Business Accelerator educational offerings
- Increased access to Port projects through PortGen First Look presentations
- Facilitated networking through PortGen Connects events

## Communications

- Established weekly opportunities e-digest
- Published blogs spotlighting WMBE businesses

## Engagement

- Connected WMBE firms with resources
- Conducted Federal Disadvantage Business Enterprise (DBE) Trainings
- Partnered with allied orgs to support WMBE firms
- Participated in Association of General Contractors (AGC) Diversity Sub-Committee

## **Event Results**

- Hosted and Participated at: 36 events
- PortGen event registrants: 945 individuals, 452 companies
- WMBEs who attended event and was awarded Port contract: 27

## **Communications Results**

- Mailing list reach: 4,000 contacts
- Email open rate: 33%

## **Outreach Results**

- New WMBE firm VendorConnect registrations: 74

2022 marked the fourth year of the DC program

## Virtues

- We continue to expect an overall increase in WMBE Utilization and higher construction WMBE spend in 2023
- Number of utilized WMBE firms in 2022 – **351** (5 year - Goal 354)
- Increased Training and Outreach Efforts

## Challenges

- Program is not on target to achieve Port-wide 5-year WMBE utilization goal of 15%.
- Port will not achieve 15% without increasing construction WMBE utilization



**2023  
(Final Year  
of 5-Year)  
WMBE  
Goals**



# 2023 WMBE Division Utilization Goals (Non-Construction)

Division	2023 Goal	2022 Actual	2022 Goal
Aviation (AV)	14%	15.8%	15%
Economic Dev. (EDD)	15%	16.8%	14%
Maritime (MD)	19%	22.4%	16%
Corporate	16%	26.6%	14%
<b>Port Wide</b>	<b>15%</b>	<b>16.4%</b>	<b>15%</b>

## 2023 Goal

- Based upon historical WMBE utilization
- Despite 7.5% result in 2022, anticipate more projects in construction phase in 2023
- 2023 Goal is a stretch goal

Construction Utilization	2022 Actual	2023 Goal
Total	7.5%	13%

## Challenges

Forecasting, accurate and consistent process, specialized work

- 1. Encouraging more Alternative Delivery Methodologies (Best Value) vs Low –Bid projects**
  - Increasing Diversity in Contracting evaluation points within RFP sections
  - Evaluate Diversity in Contracting efforts or better tie in within the Project Approach sections that are in RFP's
  
- 2. Push harder on low-bid WMBE Aspirational Goals (May increase Affirmative Efforts reviews)**
  - Be OK to move to next bidder with the possibility of higher bid price
  
- 3. Increased compliance of established and accepted WMBE goal on projects**
  - Stronger enforcement tools
  - Posting of WMBE Results of Primes

## Learning Opportunities

101 PortGen: Essentials for Working at the Port	February, May, August, November
201 PortGen Technical Assistance	Fall 2023
301 Business Accelerator Mentorship Program	Fall 2023

## PortGen First Look & PortGen Connects

Project First Looks	101 Sessions, April, July, October
New Year New Opportunities Networking	January 25
C1 Project w/ Turner Construction	March 2
A&E WMBE/Prime Networking	April 12
Port Job Order Contracting and Small Works	April 26
SEA Industry Day	June 20
Maritime Industry Day	September



# Moving Forward



- **Achieve 5-year Diversity in Contracting policy goals**
- Address barriers identified from the WMBE Analysis Study
- Recruit key WMBE suppliers and expand number of WMBE businesses utilized
- Provide ongoing training to WMBE/DBE businesses
- Promote Federal DBE Certification on upcoming federally assisted projects
- Development of an Architectural & Engineering program for small and disadvantage businesses, veteran, WMBE businesses



**Thank You**

## WMBE Analysis Study – Barriers Identified

- Cash Flow
- Insurance Requirements
- Staff Limitations
- Badging
- Bonding
- Unbundling
- As-Built Drawings (ADR Unit Build-Outs)