



Port of Seattle Commission

Policy Directive on Diversity in Contracting

**Adopted
January 9, 2018**

Document last amended July 8, 2025 (Resolution No. 3836)

Diversity in Contracting Policy Directive

As amended July 8, 2025

SECTION 1. Purpose.

The Port finds that minority, women -owned businesses are under-represented and have been under-utilized on Port contracts through disparity studies and other reports. The purpose of this policy directive is to provide the maximum practicable opportunity for increased participation by minority, women - owned and controlled businesses in Port contracting for public works, consulting services, supplies, material, equipment, and other services by increasing a diverse, competitive pool of potential contractors to meet the Port's Diversity in Contracting goals of Port spend and increase of WMBE, Small Business, and Veteran Business utilization.

SECTION 2. Definitions.

For the purposes of this chapter:

"Affirmative efforts" means documented reasonable attempts in good faith to contract with women, minority, and veteran owned businesses.

"Availability" or "available" as used in this chapter means a business that is interested in and capable of performing the work within the time frame required and to the quality specified in the solicitation and contract.

"Capability" or "capable" as used in this section means that a business appears able to perform a commercially useful function in performance of the work.

"Central database" means an electronic database that collects, aggregates, and tracks monthly Port-wide, division, and department-level utilization of small business, women and minority owned business, and other classifications across various categories and contract types and promotes transparency for the public.

"Commercially useful function" means the performance of real and actual services in the discharge of any contractual endeavor.

"Construction Business" means any person, firm, corporation or other entity who or which, in the pursuit of an independent business undertakes to, or offers to undertake, or submits a bid to, construct, alter, repair, add to, subtract from, improve, develop, move, wreck, or demolish any building, road, excavation or other structure, project, development, or improvement attached to real estate or to do any part thereof including structures or works in connection therewith, the installation of roofing or siding, or cabinet or similar installation; and/or employees members of more than one trade upon a single job or project or under a single building permit.

“Contract” means an agreement for public works, consulting services, supplies, material, equipment, or other services.

“Contract awarding authority” means any individual, office, or division that is receiving the benefit of a Contract.

“Contractor” means a business that has a Contract with the Port.

“Division” means any Port of Seattle organization structure that has a director that reports to the Executive Director.

“Relevant demographic data” is defined as, but not limited to, Asian-Pacific Americans, Black Americans, Hispanic Americans, Native Americans, Asian, and Women, and other characteristic information related to a business owner’s sexual orientation, sex/gender, race, ethnicity, or veteran status as self-reported and/or certified by another government entity, as deemed necessary or relevant to eliminating disparity in Port contracting.

“Small Business” (SBE) means a business that is certified by OMWBE as either a Small Business Enterprise (SBE) or Public Works Small Business Enterprise (PWSBE).

“Utilization” is defined as both the percent of contracting dollars paid to WMBE firms as well as the number of WMBE firms under contract.

“Veteran owned business” (VBE) means a business that has been certified by Washington State Department of Veteran Affairs as veteran owned.

“Women or minority business” (WMBE) means a business that is at least 51 percent owned and controlled by women and/or minority (including, but not limited to African Americans, Native Americans, Asians, and Hispanics) group members.

SECTION 3. Scope and Applicability.

This policy shall apply to all Contracts and activities at the Port.

SECTION 4. Responsibilities.

The Executive Director shall pursue the Century Agenda goal to increase WMBE, VBE and SBE utilization in all Port contracts and shall:

A. Achieve the Century Agenda goal to achieve 16 percent of dollars spent on WMBE contracts, and 500 WMBE firms utilized annually, within the next five years (2025 – 2029) of the Diversity in Contracting Program.

B. Incorporate WMBE, and the tracking of SBE, and VBE utilization into the Port's Century Agenda Objectives and KPIs. Further, the Executive Director shall prepare and publish an annual report each year titled Diversity in Contracting Annual Report;

C. Improve inclusion and outreach to sustain and improve WMBE, SBE, and VBE participation and to reduce disparity in Port contracting;

D. Take proactive efforts to assure equity in contracting opportunities through the development and application of inclusion plans or other tools as necessary; and

E. Expand opportunities for WMBE, SBE, and VBE firms across Port functions, wherever practicable.

(Res. 3737, §3, 2018)

SECTION 5. Policy.

A. The Diversity in Contracting Program shall include:

- (1) Responsibilities, policies, practices, and processes that can change the Port procurement and contracting processes and provide a more receptive environment for the utilization of WMBE, SBE, and VBE firms, and to ensure that businesses and contractors of all tiers working on Port contracts and subcontracts utilize WMBE, SBE, and VBE firms, wherever feasible or as required.
- (2) Develop and refine a standard procedure for the Port-wide WMBE aspirational goal setting, and collection and reporting of relevant demographic data to be stored in a central database.
- (3) Identify categories of contracts that will require WMBE inclusion plans and other tools that will be applied to other categories of contracts Port-wide.
- (4) Clear lines of responsibility and accountability for implementation of the Diversity in Contracting Program and a designated WMBE liaison for each division.
- (5) Make WMBE aspirational goal setting and affirmative implementation efforts part of the annual performance evaluation for each Port division director and their staff and require standardized Diversity in Contracting program training, implementation, and coordination for all division leaders and their WMBE representatives.

B. The Diversity in Contracting Annual Plan shall include:

- (1) Specific measures the contract awarding authority will undertake to increase the utilization of WMBEs to reduce disparity in Port contracting; and
- (2) Specific aspirational goals by division for WMBE utilization:
 - (a) Each Port division will review future procurements to identify available firms on upcoming contracts to create a utilization goal that is justifiable.
 - (b) Construction goals, other than small works, based on disparity studies or other valid internal data can demonstrate a reasonable level of utilization.

C. To improve inclusion and outreach to sustain and improve WMBE, SBE, and VBE participation and to reduce disparity in Port contracting, the Port shall:

- (1) Support training and assistance to Port staff to increase participation in outreach and to learn about the internal and external resources available to include WMBE, VBE, and SBE firms in their procurement and contracting.
- (2) Improve and expand technical assistance, including WMBE, SBE, and VBE certification, business development, training, and mentoring programs for WMBE, SBE, and VBE firms to enhance bidding expertise and promote greater coordination with advocacy organizations, businesses, individuals, and public agencies and other Port departments.
- (3) Create opportunities for members of the contracting and vendor community, Port, and other stakeholders to work collaboratively on recommendations for how the Port can more effectively use the directives in this policy directive.
- (4) Assist contractors desiring to bid on Port Contracts to comply with the affirmative efforts provision for such Contracts and offer information as to organizations and agencies available to assist such contractor in recruiting, mentoring, training, or otherwise preparing potential subcontractors.
- (5) Cooperate and establish formal and/or informal partnerships and mutual cooperation with the Office of Minority and Women's Business Enterprises and other public agencies to carry out the purposes of this policy directive, as needed.
- (6) Leverage opportunities as authorized by the Executive Director to increase WMBE, SBE, and VBE firm participation if attainment goals are not being met.
- (7) Improve contracting in support of WMBE, SBE, and VBEs through developing a proposed process for prompt payments to subcontractors and proposing this process to the Commission for Commission consideration and/or action by the

end of the second quarter 2026. This may include (but are not limited to) developing recommendations to increase efficiencies with prompt payments to subcontractors, this process shall contemplate using every resource and approaches available to the Port to ensure prompter pay provisions to subcontractors. The Port shall also consider adjusting competitive thresholds for professional services.

- (8) To support small business participation by reviewing project risk and adjusting bonding and insurance levels, when possible, to increase participation on Public Works projects.
- (9) Leverage the use of Alternative Delivery Methodology contracts to support increased WMBE, SBE, VBE participation, where applicable.
- (10) Increase education and outreach to WMBEs, SBEs, and VBEs to understand PLA terms.
- (11) Collect data on timely dispatch of workers on contracted jobs with the Port.

D. Affirmative efforts to assure equality of contracting opportunity required:

- (1) Require bidders and proposers to comply with the Diversity in Contracting solicitation requirements in order to sustain and improve participation of WMBE, SBE, and VBEs in Port Contracts.
- (2) Prepare and require that Port Contracts include specifications pertaining to equal opportunity affirmative efforts to assure equality in contracting opportunity, and aspirational goals for WMBE subcontracting. Any goals established under this chapter shall be reasonable; however, no utilization requirements shall be a condition of contracting, except as may be allowed by RCW 49.60.400.
- (3) Regularly monitor and measure the Port Diversity in Contracting program and attainment of aspirational goals by contractors.
- (4) May establish aspirational goals for the participation of women, minority, veteran, and small businesses in a particular Port contract on a case-by-case basis.
- (5) Work closely with other divisions and departments to ensure all policies, practices, and processes are consistent and complementary and make it easier for WMBE, SBE, and VBE firms to pursue Port Contracts.

- (6) Define, implement, and monitor appropriate processes and procedures to ensure prompt payments and change order processing to address timely payment of contractors, suppliers, and subcontractors at all tiers. Review and recommend potential improvements to the existing prompt pay processes and procedures.

E. Affirmative efforts in subcontracting:

- (1) All contractors, including WMBE, SBE, and VBE firms, shall actively solicit bids for subcontracts to eligible, available, and capable WMBE, SBE, and VBE firms to perform commercially useful functions.
- (2) At the request of the relevant Port department, when inclusion plans are required, contractors shall furnish evidence of the contractor's compliance with such requirements and will submit evidence of compliance when requested. Contractors shall provide records necessary to document affirmative efforts to subcontract with WMBE businesses on Port contracts.
- (3) Compliance with all requirements and past performance under this policy directive may be included in the evaluation of future procurements.
- (4) Contracts funded in whole or in part with federal funds or that are otherwise subject to federal contracting or other federal legal requirements (collectively "Federally-Regulated Contracts"). Federally-Regulated Contracts shall comply with all applicable federal laws, regulations, and orders, including those related to DBEs, ACDBEs, WMBEs, SBEs, and VBEs. To the extent permitted by those federal laws, regulations, and orders, and only to that extent, the provisions of this Policy Directive shall also be applied to Federally-Regulated Contracts. In contracts subject to 9 CFR 26, Subpart C, regarding Disadvantaged Business Enterprises (DBE), references to Women and Minority Businesses shall also include federally recognized ACDBEs or DBEs. In the event of a conflict between the provisions of this chapter, or the rules implementing this policy directive, and the requirements of 49 CFR 26, Subpart C, or 49 CFR Part 23, Subpart D, or any other superseding applicable federal statute or regulation, the provisions of the federal statute or regulation shall control.

F. Expanding Opportunity.

- (1) The Port shall review and expand opportunities for WMBE, SBE, and VBE firms in other Port enterprise opportunities, for example real estate leases, to encourage and promote access to Port facilities.

SECTION 6. Program Evaluation.

A. Benchmarks and metrics to evaluate the Diversity in Contracting Program shall include:

- (1) Incorporation of WMBE goals to the fullest extent reasonable, including incorporation into Century Agenda Key Performance Indicators (KPI), reports, and updates.
- (2) Specific measures the contract awarding authority will undertake to increase the participation of women, minority, veteran-owned, and small businesses and to reduce disparities, including the number of events or outreach activities conducted to ensure responsiveness to bid opportunities.
- (3) Progress towards specific division WMBE utilization goals, including the number of opportunities a division has available, the goals established for those opportunities and the actual utilization, including periodic review of disparity study results to determine reasonableness of goals.
- (4) Data reporting using the standard procedure identified in the Diversity in Contracting program for the Port-wide collection and reporting of relevant demographic data including percent of spend, number of businesses, and type of procurements. This also includes all relevant data systems to comply with United States's Department of Transportation's Disadvantage Business Enterprise (DBE) program requirements.
- (5) Preparation and publication of an annual report titled Diversity in Contracting Annual Report.

SECTION 7. Fiscal Implications.

Fiscal implications shall be reviewed by the Executive Director annually, at a minimum, to ensure the implementation of the policy directive is adequately resourced and shall submit a budget request as appropriate.

Revision History

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| July 8, 2025 | Resolution No. 3836, increasing women and minority business opportunities. |
| January 9, 2018 | Resolution 3737, establishing the Diversity in Contracting Policy Directive, was adopted. |