

FAQ

Updated Sept. 25, 2019, 10 a.m.

EQUITY IN CONTRACTING



1. WHY DOES THE CITY OF TACOMA NEED TO ADDRESS CONTRACTING MATTERS?

In Tacoma 2025, a strategic framework that guides where the City of Tacoma is going over the next 10 years, our community envisions a vibrant and diverse economy with living wage jobs and abundant opportunities for lifelong learning for its residents. Ending discriminatory treatment against women and minorities is necessary as we work to realize this vision.

2. WHAT IS THE DISPARITY STUDY AND HOW DOES IT FACTOR INTO THIS WORK?

In August 2017, the City of Tacoma contracted with Griffin & Strong, P.C. to conduct this study to review its policies, plans and programs for contracting services and goods, and determine if disparities exist in the availability and utilization of qualified women and minority-owned businesses within our market. This study looked at the following industries:

- CONSTRUCTION
- ARCHITECTURE AND ENGINEERING
- SERVICES
- GOODS

SUMMARY OF AVAILABILITY ESTIMATES BY WORK CATEGORY

Ethnicity	Construction	Architecture and Engineering	Services	Goods
African American	2.81%	1.93%	4.04%	0.92%
Asian American	2.97%	12.86%	4.60%	2.63%
Hispanic American	4.69%	2.89%	2.65%	1.12%
Native American	2.03%	0.96%	1.50%	0.33%
Total Minority	12.50%	18.64%	12.79%	5.00%
Women	3.13%	19.61%	12.00%	5.27%
Total Minority and Women Owned Businesses	15.63%	38.25%	24.79%	10.27%
Total Non-Minority and Women Owned Businesses	84.38%	61.74%	75.21%	89.73%
Total	100%	100%	100%	100%

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SUMMARY OF PRIME UTILIZATION BY WORK CATEGORY

Firm Ownership	Construction		Architecture and Engineering		Services		Goods		Total	
African American	\$1,849,402	0.57%	-	0.00%	\$520,532	0.26%	\$56,287	0.03%	\$2,426,221	0.33%
Asian American	\$40,000	0.01%	\$296,660	0.80%	\$4,535,196	2.27%	\$2,696,464	1.59%	\$7,568,320	1.03%
Hispanic American	\$13,229,258	4.07%	-	0.00%	\$117,800	0.06%	-	0.00%	\$13,347,058	1.82%
Native American	\$854,301	0.26%	-	0.00%	\$129,341	0.06%	-	0.00%	\$983,641	0.13%
Total Minority	\$15,972,960	4.91%	\$296,660	0.80%	\$5,302,869	2.66%	\$2,752,751	1.62%	\$24,325,240	3.32%
Women	\$5,019,008	1.54%	1,505,413	4.05%	\$15,618,373	7.82%	754,731	0.44%	\$22,897,525	3.13%
Total Minority and Women Owned Businesses	\$20,991,968	6.45%	\$1,802,073	4.84%	\$20,921,242	10.48%	\$3,507,482	2.07%	\$47,222,765	6.45%
Total Non-Minority and Women Owned Businesses	\$304,329,627	93.55%	\$35,393,584	95.16%	\$178,706,096	89.52%	\$166,098,514	97.93%	\$684,527,821	93.55%
Total	\$325,321,595	100%	\$37,195,657	100%	\$199,627,338	100%	\$169,605,996	100%	\$731,750,585	100%

3. HOW IS THIS RELATED TO A COMMUNITY WORKFORCE AGREEMENT?

The week following the release of the Disparity Study, the City Council adopted Resolution 40124, which called for a Community Workforce Agreement Task Force to review, refine and make recommendations on a final Priority Hire Ordinance and Community Workforce Agreement for Council consideration within the next six months. The Community Workforce Agreement Task Force was convened as an advisory committee in December 2018. This group is comprised of leaders from labor unions, private contractors, Minority and Women Owned Businesses, and residents of economically distressed communities.

The City's charge to the Community Workforce Agreement Task Force was to review hiring of (1) residents who live in economically distressed areas of Tacoma and (2) Minority and Women Owned Businesses in City public works projects and provide a recommendation as to whether a Community Workforce Agreement and/or a Priority Hiring Ordinance would promote hiring from these two groups.

The Community Workforce Agreement Task Force reviewed a draft Community Workforce Agreement and Priority Hiring Ordinance developed by staff and offered recommendations. They voted against a City adoption of a Community Workforce Agreement, but did support a broad range of 25 items, including a Priority Hiring Ordinance.

4. WHAT PROBLEM IS THE CITY SEEKING TO SOLVE?

The City seeks to create conditions in City public works contracting processes that would achieve proportionate representation among workers hired from economically distressed areas of Tacoma and adjacent areas served by Tacoma Public Utilities on City public works projects, as well as the proportionate utilization of Minority and Women Owned Businesses as contractors and subcontractors in City projects.



5. WHAT DOES “EQUITY IN CONTRACTING” MEAN?

This means that all business owners within a certain market are treated equitably and have access to contracting opportunities across Tacoma.

6. HOW WILL YOU MEASURE EQUITY MOVING FORWARD?

We will implement foundational recommendations, which include improved compliance tracking, an expanded contractor and supplier pool, and a migration to state certification lists.

7. WHAT ARE THE PROPOSED SOLUTIONS TO ENSURE MINORITY AND WOMEN OWNED BUSINESSES HAVE AN OPPORTUNITY TO CONTRACT?

We are considering changes to code and policies, race and gender subcontracting goals, award conditions for, and participation of, Small Business Enterprise and Minority and Women Owned Businesses in projects.

8. WHAT PUBLIC ENGAGEMENT ACTIVITIES ARE HAPPENING TO NOTIFY THE COMMUNITY?

City staff are meeting with contracting and Minority and Women Owned Business stakeholders to receive feedback. The information received will inform implementation of the program going forward.

9. WHAT IS THE TIMELINE TO IMPLEMENT THIS PROCESS?

Phase I- August 2019 to December 2019

- Consider additional training efforts for public contracting business development.
- Consider authorization of Small Business Enterprise certification migration to State of Washington's list.
- Consider race and gender subcontracting goals.
- Consider award conditions for, and participation of, Small Business Enterprise and Minority and Women Owned Businesses in projects.

Phase II- January 2020 to December 2020

- Implementation of major policy advancement to include:
- Administration of new policies adopted by City Council
- Evaluation of Phase I
- Consideration of potential increases within the City's 2021–2022 Biennial Budget
- Update of Tacoma Training and Employment Program for improved workforce outcomes
- Decrease in barriers for Tacoma Training and Employment Program graduates in City hiring
- Increase in partnerships for direct-entry private-sector organizations

Phase III- January 2021 and Beyond

- Evaluate Phase I and II implementations.
- Respond to what we've learned including adjusting and making any additional necessary changes (to include potential policy and ordinance revisions).
- Prepare for second Disparity Study (anticipated 2022) as studies must be performed once every five years for data to remain legally viable.

10. HOW DO THESE CHANGES AFFECT SMALL BUSINESSES?

As more businesses sign up for the state certification, they will be more visible to City government(s), the State of Washington or any other government entities.

- Proactive engagement to include workshops, trainings, etc.
- Assistance with the State of Washington's application process
- More advance notice of upcoming work opportunities to increase ability of firms to prepare and bid



DEFINITION OF TERMS

City public works projects are construction projects other than ordinary maintenance executed at the cost of the City. Services and supplies are excluded. The City, including Tacoma Public Utilities, averaged approximately 80 public works projects a year between 2014 and 2017. Sixteen of these had a total contracted cost in excess of \$1 million; three were more than \$5 million.

Residents of economically distressed zip codes are defined by the City to mean residents of zip codes in the Tacoma Public Utilities service area that meet two out of three of the thresholds of:

- a. Residents living under 200% of the federal poverty line in terms of persons per acre (69th percentile)
- b. Unemployed people in terms of persons per acre (45th percentile), and/or
- c. People 25 years or older without a college degree in terms of persons per acre (75th percentile)
- d. The estimated total population of these zip codes is 370,893 (The City has not conducted a disparity study to quantify the under-representation of these groups in City public works hiring.)

Minority and Women Owned Businesses is a term that could apply to firms of any size, including very large firms, the City is focusing its efforts on those firms meeting the State of Washington's certification requirements which require that ownership, control and management of day-to-day operations by a person or group of individuals who have at least 51% stake in ownership and identify as such, is a U.S. citizen or permanent U.S. resident. In addition, these firms must establish:

Owners have a personal net worth of less than \$1.32 million (excluding the value of their residence and business)

The business has not had annual gross receipts in excess of \$23.98 million over a three-year period.

Non-Minority and Women Owned Businesses are for profit businesses owned and controlled by a person or group of individuals who have at least 51% stake in ownership and identify as either Caucasian males or is publicly traded with no majority owner of which to attribute an ethnicity. Not-for-profit and governmental entities are not included as Non-Minority and Women Owned Businesses.