ACHIEVING DIVERSITY IN CONSTRUCTION

UW CPO UNIVERSITY
NOVEMBER 1, 2012
PAST PROJECT EXPERIENCE

Seattle Central Library
City of Seattle

Brightwater Treatment Plant
King County

UW Light Rail Station
Sound Transit
Each agency has different programs, metrics and ways they track business diversity.

- City of Seattle - Utilized Boost Program after I-200 and now has implemented Social Equity Program to increase WMBE participation.
- King County - Mandates Utilization of Small Contractors and Suppliers through SCS program.
- Sound Transit - Uses Federal Requirements for Small/Disadvantaged Business Program.
- Can be difficult for contractors to understand requirements for each agency.
Challenges for Owners/Prime Contractors

- Potential added risk with subcontractors you do not have experience with
- Scheduling - Find scopes of work not on critical path
- Managing quality and consistency on separated pieces of scope
- Time to assist and mentor small subs to ensure they are successful
- Cost - It is not always the least cost to maximize Small and Disadvantage Business participation
MWBE and Small Business Goals

- Set reasonable goals and ensure visibility for those goals
- Develop a plan with Contractor for meeting those goals
- Goals should be encouraged at all levels of contracting - require subcontractors to show a plan of how they will meet the goals
- Each Agency needs to determine how important these goals are and how they will be implemented
Outreach and Networking Efforts

- Broadcast opportunities at established Contracting Forums and Outreach Events
- Hold Project specific Information and Outreach Sessions
- Target specific opportunities for sub-tier participation and hold networking meetings to connect prime subcontractors with sub-tier contractors
  - Example - Sound Transit Excavation Package utilizing Minority Trucking Consortium
- One-on-one Discussions with potential interested subcontractors
Removing Barriers for Small & MWBE Participation

- Subcontractor Bonding and Alternatives
- Appropriate Liquidated Damages
- Payment Terms - Prompt payment and Change Order processing
  - Small businesses need cash flow
- Develop Bid Packages of sizes and scopes that can be bid by smaller subcontractors
- Utilize database from sources such as OMWBE to identify subcontractors who can perform scopes of work
- Assist subcontractors in walking through scopes and bid packages so the scope of work is clear
Mentoring Subcontractors During Construction

- Simplify Paperwork and Provide Administrative Support when needed
- Assist with billing and Change Order processing
- Help develop schedule which will provide consistent flow of work and manpower needs without spikes
- Find ways to make subcontractor successful
- Intent is to develop stronger subcontractors that have capacity to perform larger scopes of work in the future
QUESTIONS???

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