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11/8/95 CAJ:cj	Introduced By:	Ron Sims	
mwbecln2	Proposed No.:	95-663	

ORDINANCE NO. 12026

AN ORDINANCE relating to the county's minority and women's business enterprises program, repealing Ordinance 5983, Sections 1, as amended, 2, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 8, as amended, 9, as amended, and 10, as amended, Ordinance 9609, Sections 3 (part), 4, 10 and 11, as amended, and 12, Ordinance 8937, Section 8, and Ordinance 8313, Section 7, and K.C.C. 4.18.010, K.C.C. 4.18.020, K.C.C. 4.18.030, K.C.C. 4.18.040, K.C.C. 4.18.050, K.C.C. 4.18.060, K.C.C. 4.18.070, K.C.C. 4.18.080, K.C.C. 4.18.090, K.C.C. 4.18.105, K.C.C. 4.18.115 and K.C.C. 4.18.130, and adding new sections to K.C.C. 4.18.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 5983, Sections 1, as amended, 2, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 8, as amended, 9, as amended, and 10, as amended, Ordinance 9609, Sections 3 (part), 4, 10 and 11, as amended, and 12, Ordinance 8937, Section 8, and Ordinance 8313, Section 7, and K.C.C. 4.18.010, K.C.C. 4.18.020, K.C.C. 4.18.030, K.C.C. 4.18.040, K.C.C. 4.18.050, K.C.C. 4.18.060, K.C.C. 4.18.070, K.C.C. 4.18.080, K.C.C. 4.18.090, K.C.C. 4.18.095, K.C.C. 4.18.100, K.C.C. 4.18.105, K.C.C. 4.18.115 and K.C.C. 4.18.130 are hereby repealed.

NEW SECTION. SECTION 2. There is added to K.C.C. 4.18 a new section to read as follows:

Definitions. All words shall have their ordinary and usual meanings except those defined in this section which shall have in addition, the meaning set forth below. In the event of conflict, the specific definition spelled out below shall presumptively, but not conclusively, prevail.

A. "Administrator" shall mean the manager of the minority and women's business enterprises and contract compliance division.

B. "Affirmative Action Plan" shall mean the written, formal county policy adopted
annually, stating the goals and programs of county government to be performed in the
areas of contract compliance, equal employment opportunity and minority/women's
business contracting.

- C. "Affirmative Efforts" shall mean making vigorous, documented attempts in good faith to contact and contract with minority/women's businesses. Where affirmative efforts are required by, or are grounds for, waiving provisions of this chapter, the administrator's determination shall be based on procedures to be outlined in accordance with the dictates of this chapter.
- D. "Agency Contracts" shall mean those contracts not subject to the usual competitive procurement requirements and which result in the provision of services to county residents such as legal public defense, mental health, and drug and alcohol treatment.
- E. "Architectural and Engineering Contracts" shall mean contracts for the performance of architectural and engineering services by licensed and registered firms and persons acting as consultants to the county.
- F. "Broker" shall mean a business which purchases goods or services from another business or businesses for the sole purpose of resale to the county or a contractor doing business with the county.
- G. "Certification" shall mean the process by which the Office of Minority and Women's Businesses of the State of Washington determines a business meets the criteria for a minority-owned business enterprise, a women-owned business enterprise, and/or a combination minority and women's business enterprise as set forth in WAC chap. 326-02 and WAC chap. 326-20.
- H. "Combination Minority and Women Business" means a business certified as a combination minority and women's business enterprise by the Office of Minority and Women's Businesses of the State of Washington which is 50% legitimately owned and controlled by minority males or minority businesses as defined in this chapter.
- I. "Commercially Useful Function" shall mean the performance of real and actual services in the discharge of any contractual endeavor. The contractor must perform a

distinct element of work which the business has the skill and expertise as well as the responsibility of actually performing, managing and supervising. In determining whether a business is performing a commercially useful function, factors, including but not limited to the following, will be considered:

- Whether the business has the skill and expertise to perform work for which it is being/has been certified;
- 2. Whether the business actually performs, manages and supervises the work for which it is being/has been certified; and
- 3. Whether the business purchases goods and/or services from a non-minority/women's business enterprise and simply resells goods to the county, county contractor, or other person doing business with the county for the purpose of allowing those goods to be counted towards fulfillment of minority/women's business enterprise utilization goals.
- J. "Concession Contracts" shall mean those contractual arrangements for the sale of food, beverages and/or items of personal property at any facility owned and/or managed by the county.
- K. "Conduit" shall mean a minority/women's business with which a contractor has agreed to subcontract, when the minority/women's business does not perform the subcontract, and instead the subcontract is performed by a non-minority/women's business.
- L. "Contract Awarding Authority" shall mean any person with the power to enter into a contractual arrangement binding the county and shall also mean the particular office, agency or division on whose behalf the contract is entered. In addition, this term shall include, but shall not be limited to heads of county departments, divisions or offices.
- M. "Contractor" shall mean any person, partnership, corporation, or other type of business entity which has a contract with the county or serves in a subcontracting capacity with an entity having a contract with the county for the provision of goods and/or services, including but not limited to consultant, professional, non-professional and technical services and public work.
- N. "Department" shall refer to any department as defined by county ordinance or other applicable law and shall include all county agencies not associated with a department.

These agencies shall similarly discharge those duties this chapter requires of departments and shall include the county prosecuting attorney, the county assessor, and the county council.

- O. "Director" shall mean the directors of executive departments and chief officers of administrative offices.
- P. "Front" shall mean a business which purports to be a minority/women's business but which is actually owned and/or controlled in a manner which is inconsistent with the requirements of certification.
- Q. "Joint venture" shall mean an association of two or more persons, partnerships, corporations or any combination of them, established to carry on a single business activity which is limited in scope or direction. The degree to which a joint venture may satisfy, relevant utilization goals cannot exceed the proportionate interest of the minority/women's business held as a member of the joint venture in the work to be performed. The agreement establishing the joint venture, partnership or other multi-entity relationship shall be in writing. Further, minority/women's participation in a joint venture shall be based on the sharing of real economic interest in the venture and shall include proportionate control over management, interest in capital acquired by the joint venture, and interest in earnings.
- R. "Legitimately Owned and Controlled" shall mean for the purpose of determining whether a business is a "minority business" that minorities shall possess:
- 1. Ownership of at least fifty-one percent interest in the business, unless the minority business qualifies as a corporate sponsored dealership under the provisions of WAC 326-02-030. The ownership shall be real and continuing, and shall go beyond the pro forma ownership of the business reflected in the ownership documents. The minority owner(s) shall enjoy the customary incidents of ownership and shall share in the risks and profits commensurate with their ownership interests, as demonstrated by an examination of the substance, rather than the form, of arrangements.
- 2. Control over management, interest in capital, interest in profit or loss and contributions to capital, equipment and expertise on which the claim of minority-owned status under this chapter is based. The minority owners must possess and exercise the legal power to direct the management and policies of the business and to make day-to-day as

well as major decisions on matters of management, policy, and operations. If the owners of the business who are not minorities are disproportionately responsible for the operation of the business, then the business is not controlled by minorities. The business must be owned, controlled, and managed on a day-to-day, full-time basis by the minority owner(s). The requirements of this subsection R.2. shall not apply, if the minority business qualifies as a corporate sponsored dealership under the provisions of WAC 326-02-030.

- 3. Ownership and control shall be measured as though not subject to the community property interest of a spouse if both spouses certify that:
 - a. Only one spouse participates in the management of the business;
- b. The nonparticipating spouse relinquishes control over his/her community property interest in the subject business.
- S. "Metropolitan functions" shall mean those function(s) authorized by RCW 35.58.050, approved by the voters, and assumed by the county pursuant to RCW 36.56.010.
- T. "Minority Business" means a business certified by the Office of Minority and Women's Businesses of the State of Washington as a minority business enterprise which is legitimately owned and controlled by a minority person or persons as defined in this section and which has previously sought to do business in King County. The executive is authorized to determine that specific racial groups have not been discriminated against in their ownership and/or operation of particular trades or areas of business in King County. The executive may exclude such businesses from consideration as "minority businesses" under this chapter, in connection with contracts involving such trades or areas of business, as provided in Section 9 of this ordinance.
- U. "Minority or Minorities" means a person who is a citizen or lawful permanent resident of the United States and who is a member of one or more of the following historically disadvantaged racial groups:
- Black or African American: Having origins in any of the Black racial groups of Africa;
- 2. Hispanic: Of Mexican, Puerto Rican, Cuban, or Central or South American culture or origin;

- 3. Asian American: Having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; or
- 4. American Indian or Alaskan Native: Having origins in any of the original peoples of North America.

The executive shall have discretion to make a final decision as to whether an individual is a minority.

- V. "Nonprofit Corporation" shall mean a corporation organized pursuant to RCW Ch. 24.03. In the case of nonprofit corporations organized under the laws of a state other than Washington, a nonprofit corporation shall mean one organized for one or more of the purposes set forth in RCW 24.03.015 and meeting the definitions in RCW 24.03.005.
- W. "Pass-Through" means buying or obtaining goods from a non-women's business, non-minority business or non-combination women/minority business, and reselling or transferring those goods to the county, county contractors or other persons doing business with the county for the purpose of obtaining any advantage or benefit conferred under this chapter, without performing a commercially useful function.
- X. "Percentage Factor" shall mean the special ranking factors established by this chapter to be applied in certain competitive bid situations where minority/women's businesses respond to solicitation or are included as subcontracts in responding parties' responses to solicitation.
- Y. "Public Work Contracts" shall include all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the county.
- Z. "Responding Party" shall mean any person, partnership, corporation or business entity which makes a proposal as defined in this chapter in response to a solicitation as defined in this chapter.
- AA. "Service Contracts" shall mean those contractual arrangements made for the procurement of all services including expert personal, professional, technical, and consultant services. Consultant services shall include legal services provided to the county but shall not include architectural and engineering contracts as defined by this chapter.

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BB.	"Set Aside"	shall mean	that prop	portion	of each	contract	which is	designated	for
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participation	on of minorit	ty/women's	business	es as es	tablishe	d by this	chapter.		

- CC. "Small Business Concern" means a small business as defined pursuant to Section 3 of the federal Small Business Act and relevant regulations promulgated thereto.
- DD. "Solicitation" shall mean a contract awarding authority's request for the provision of any one or more of the following: goods and services of any kind, equipment leases, and rentals/purchase of space. Solicitation shall include requests for proposals, invitations to bid and similar items. "Solicitation specifications," shall mean any documents, literature or other information accompanying a solicitation which provides additional data regarding the contract awarding authority's request.
- EE. "Tangible Personal Property Contracts" shall mean, but not be limited to, those contracts which are awarded by the county for the purchase of equipment, supplies, materials, goods and rolling stock (revenue producing buses, vans, cars, railcars, locomotives, and trolley cars and buses).
- FF. "Utilization Goals" shall mean those separately designated annual goals for the use by the county of minority/women's businesses. The goals shall be expressed as a numerical percentage of the total dollar value of all contracts to be awarded by the county. These goals shall be applicable to businesses organized for profit, along with governmental agencies and quasi-governmental agencies, unless the agencies are specifically excepted by or in accordance with the provisions of this chapter.
- GG. "Utilization Requirements" shall mean those efforts which the responding parties, the county and the particular department shall make to meet the county's utilization goals, including but not limited to the percentage factors and set aside requirements established by this chapter.
- HH. "Violating Party" shall mean a person or entity which has violated a provision or provisions of this chapter.
- II. "Waiver Statement" shall mean a written statement directed to the administrator containing reasons why any provision or provisions of this chapter shall not apply to a particular person, partnership, corporation, business entity, contract awarding authority, department, or other entity. Where a waiver or waivers are granted, the utilization goals

shall be applied in a manner so as to reflect the loss of the monetary value of those contracts exempted from the requisites of this chapter.

JJ. "Women's Business" means a business certified by the Office of Minority and Women's Businesses of the State of Washington as a women's business enterprise and which has previously sought to do business in King County. The executive is authorized to determine that women as a class have not been discriminated against in their ownership and operation of particular trades or areas of business in King County. The executive may exclude such businesses from consideration as "women's businesses" under this chapter, in connection with contracts involving such trades or areas of business, according to the procedure provided for in Section 9 of this ordinance.

NEW SECTION. SECTION 3. There is added to K.C.C. 4.18 a new section to read as follows:

Powers and duties. A. In addition to the powers and duties given to the executive elsewhere in this chapter, the executive shall, through the administrator, have responsibility for administering, monitoring and enforcing the goals and requirements identified in this chapter.

B. The administrator shall:

- 1. Establish rules, regulations, and procedures for implementing and administering this chapter;
 - 2. Recommend to the executive annual utilization goals for the county;
- Have the authority to enter into cooperative agreements with other government agencies concerned with increasing the participation of minority/women's businesses in government contracting;
- 4. With the advice of contract awarding authorities, formulate and periodically update a plan to make minority/women's businesses aware of contracting opportunities with the county; and
- 5. Review all county solicitation lists and where possible, place minority/women's businesses on such lists. These lists shall be updated periodically.

NEW SECTION. SECTION 4. There is added to K.C.C. 4.18 a new section to read as follows:

Utilization goals. Upon the completion of the disparity study called for in Ordinance 11564 and in conjunction with recommendations to the council resulting from that study and every three years thereafter, the administrator shall submit to the executive for approval proposed utilization goals for the county for the following three year period.

Separate utilization goals shall be established for the use of minority businesses and for the use of women's businesses. These utilization goals shall be established separately for each of the following types of contracts: architectural and engineering contracts, public work contracts, service contracts, concession contracts, and tangible personal property contracts. The utilization goals shall be transmitted with the minority and women's business enterprises and contract compliance division's annual report to the council for approval. Existing utilization goals shall remain in effect until newly submitted ones receive final council approval.

- A. The utilization goals shall be reasonably achievable. To the extent that relevant information is available, the utilization goals shall be based on the following factors:
- By contract category, the number of firms certified by the State Office of Minority and Women's Business Enterprises, seeking to do business with the county as either prime or subcontractors;
- 2. By contract category, the total number of firms seeking to do business with the county as either prime or subcontractors;
 - 3. By contract category, the geographic area of competition;
- 4. By contract category, the capacity and/or capability of certified minority and women's businesses seeking to do business with the county compared with the capacity and/or capability of non-minority and non-women's businesses seeking to do business with the county;
- 5. By contract category, the number of minorities and women with requisite skills in related occupations;
- 6. By contract category, the affirmative action goals for minorities and women in related occupations;
- 7. By contract category, the rates of new entry by minorities and women into related training, educational fields, and occupations;

8. By contract category, what availability would be absent discrimination; and

9. By contract category, rates of entry of new minority and women's businesses compared to non-minority and non-women's businesses.

B. The following goals shall be the annual goals for all departments until such time as new goals are approved by the council:

Contract Category	MBE%	WBE%
Architecture/Engineering	17%	10%
Concessions	10%	5%
Public work	14%	8%
Service	6%	15%
Tangible personal property	10%	3%

<u>NEW SECTION. SECTION 5</u>. There is added to K.C.C. 4.18 a new section to read as follows:

Accomplishment of utilization goals. A. For all contracts, accomplishment of utilization goals established by this chapter shall be based on the dollar amount of the contract in question. Accomplishment of the goals shall be calculated in the following manner:

- General The dollar value of any and all contracts awarded by a contract
 awarding authority to a minority/women's business shall be counted towards accomplishment
 of the applicable utilization goals.
- a. The total dollar value of each contract awarded to businesses owned and controlled by both minority males and non-minority females shall be apportioned on the basis of the percentage of ownership to the utilization goals for minorities and women respectively.
- b. The total dollar value of a contract with a minority/women's business owned and controlled by minority women shall be either counted toward the minority utilization goal or the goal for women, or apportioned on the basis of ownership between minorities and women, not to both.

2. <u>Subcontracts</u> - If a contractor uses subcontractors who are minority/women's businesses, the amount which is given to the minority/women's business for their work on the contract shall be credited towards meeting the applicable utilization goals.

- 3. <u>Joint Ventures</u> Where one or more minority/women's businesses are participants in a joint venture with one or more non-minority or non-women's businesses, the amount of money received by the minority/women's business enterprise shall be calculated in proportion to their participation in the joint venture in accomplishing the applicable utilization goals.
- 4. <u>Supplies/Materials</u> The contract awarding authority or a prime contractor may count toward its utilization goals:
- a. expenditures for materials and supplies obtained from minority/women's business suppliers and manufacturers; provided that, the minority/women's business assume the actual and contractual responsibility for the provision of the materials and supplies;
- b. its entire expenditure made to a minority/women's business manufacturer; that is, a supplier that produces goods from raw materials or substantially alters them before resale;
- c. the amount of the commission paid to minority/women's businesses and resulting from a particular contract with the county; provided that a minority/women's business supplier performs a commercially useful function in the process.
- 5. Brokers Fronts or Similar Pass-Through Arrangements Businesses acting as brokers, fronts, conduits or similar pass-through arrangements shall not be certified as minority/women's business enterprises, unless the brokering service reflects normal industry practice and the broker performs a commercially useful function. Such businesses determined to be acting under these arrangements or persons who create such arrangements shall be subject to the penalties enumerated in this chapter.
- B. The administrator shall calculate the accomplishment of utilization goals for the county. In the event of disputes regarding these calculations, a department may request review of the administrator's decision by the executive.
- C. After having met their annual utilization goals, departments shall continue to make affirmative efforts to do business with minority/women's businesses.

D. The failure of a department or the county to meet the annual dollar utilization goals established from time to time by this chapter shall not constitute grounds for a lawsuit against a department or the county, provided that the department or the county has made affirmative efforts to meet those goals. The failure of a department to meet the requirements of this chapter shall be reviewed by the executive and corrective action taken where appropriate.

NEW SECTION. SECTION 6. There is added to K.C.C. 4.18 a new section to read as follows:

Utilization requirements, general. In order to meet the utilization goals established in accordance with this chapter, efforts including but not limited to the following shall be made:

- 1. The administrator shall design a technical assistance, business development and outreach program. This program shall include the following elements:
- a. A county-wide, industry-wide, regularly-scheduled contractor orientation program to promote compliance with and understanding of the provisions of this chapter and K.C.C. 12.16;
- b. Feasible options for bonding, insurance, and banking assistance for minority-owned and women-owned businesses;
- c. A county-wide program, designed to assist departments in enhancing opportunities for minority-owned and women-owned businesses;
- d. A fully-developed and maintained resource list, to include all available resources state-wide for minority-owned and women-owned businesses; and
- e. Such other program options as would serve to assist minority-owned and women-owned businesses in overcoming the barriers of past and present discrimination.
- 2. In conjunction with the administrator, each division within each department shall annually formulate a plan for achieving the purposes of this chapter, which plan shall be submitted to the administrator for review. Each plan should include a forecast of contracts to be administered by the division, including estimates of the number, probable monetary value, if known, and type of contracts to be awarded, and the estimated solicitation dates. In addition, each plan should include methods and suggestions for encouraging the development and participation by MWBs in such contracts.

- 3. Prior to entering into any contract, the contract awarding authority shall:
- a. Make affirmative efforts to solicit proposals from minority/women's businesses; and
- b. Examine alternatives for arranging contracts by size and type of work so as to enhance the possibility of participation by minority/women's businesses.
- 4. Prior to submitting any bid, proposal, or other response to a solicitation for which subcontractors may be used, responding parties shall make good faith affirmative efforts to contact, solicit bids and proposals from, and use minority/women's businesses.
- 5. The following shall be included in the body of the contract document in any and all contracts signed between the county and a contractor:
- a. A provision indicating that this chapter is incorporated by reference into any and all county contracts and failure to comply with any of the requirements of the chapter by a contractor will be considered a breach of contract.
- b. A requirement that during the term of the contract the contractor shall comply with, as to tasks and proportionate dollar amounts throughout the term of the contract, all requirements for the use of minority/women's businesses. In the absence of a waiver, minority/women's businesses which for any reason no longer remain associated with the contract or the contractor shall be replaced with other certified minority/women's businesses in accordance with procedures established by the administrator.
- c. A provision prohibiting any agreements between a responding party and a minority/women's business in which the minority/women's business promises not to provide subcontracting quotations to other responding or potential responding parties.
- d. The requirement of maintenance of relevant records, and information necessary to document compliance with this chapter and the contractor's utilization of minority and women's businesses in its overall public and private business activities, and shall include the right of the county to inspect such records.
- e. A provision requiring the payment of specific liquidated damages in the event a contractor fails to perform a commercially-useful function and/or operates as a broker, front, conduit or pass-through, with the amount of liquidated damages established in advance by the administrator based on the type of contract involved. The provision should

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include the following language: The purpose of King County's minority/women's business ordinance is to provide a prompt remedy for the effects of past discrimination. The county in general, and this program in particular, are damaged when a contract, or portion of a contract, to be performed by a minority/women's business is not actually performed by a minority/women's business enterprise in compliance with K.C.C. 4.18. Because the actual amount of such damage is not reasonably calculable, the parties agree and stipulate that liquidated damages equal to the dollar value of the utilization by certified and recognized businesses lost to the county due to the violation, not to exceed 10 percent of the dollar value of the contract, shall be the amount required to compensate the county for resulting delays in carrying out the purpose of the program, the costs of meeting utilization goals through additional contracts, the administrative costs of investigation and enforcement and other damages and costs caused by the violation. The contractor shall be liable to the county for such liquidated damages in the event the contractor or a subcontractor fails to perform a commercially useful function and/or operates as a front, conduit or pass-through, as defined in K.C.C. 4.18.

<u>NEW SECTION. SECTION 7</u>. There is added to K.C.C. 4.18 a new section to read as follows:

Utilization requirements, specific. A. In order to expedite achieving of the utilization goals established in accordance with this chapter, the following utilization requirements shall apply to all competitive bids and other responses to solicitation:

- 1. For all tangible personal property, service, and concession contracts and all architectural and engineering contracts, consultant contracts and public work contracts under ten thousand dollars, the administrator shall determine a percentage factor appropriate to offset the effects of discrimination in the industry involved, which percentage shall be used in determining which responding party is the lowest responsible bidder or best proposal:
- a. Responding parties whose bids are within the percentage factor of the best proposal or the bid made by the lowest bidder shall be ranked in the following order:

First, minority/women businesses which will perform the entire contract unassisted and those minority/women's businesses which will exclusively use

1	minority/women's businesses as subcontractors, suppliers or in similar assisting roles to the
2	extent set forth above.
3	Second, minority/women's businesses which alone or as part of joint
4	ventures serve as the prime contractor where minority/women's business participation is at
5	least twenty-five percent of the dollar value of a contract;
6	Third, non-minority/non-women's businesses which use minority/women's
7	businesses as subcontractors, suppliers, or in similar assisting roles in an amount equal to at
8	least twenty-five percent of the contract amount; and
9	Fourth, non-minority/non-women's businesses which do not use
10	minority/women's businesses as subcontractors, suppliers, or in similar assisting roles to the
11	extent set forth above.
12	b. All responding parties within each particular ranking shall be grouped
13	according to the amount of their bid or the evaluation score of their proposal as determined
14	by the contract awarding authority, with low bidders and higher scoring proposals receiving
15	the highest priority. The lowest bidder or higher scoring proposal within the highest ranking
16	category shall be awarded the contract in question.
17	c. In determining the percentage factor to be used for a particular contract, the
18	administrator shall consider the following factors:
19	(1) Price differentials between M/WBEs and non-MWBEs on previously-
20	submitted bids;
21	(2) Standard industry costs;
22	(3) Standard industry profit margins;
23	(4) Availability of M/WBEs to perform as retailers, distributors,
24	wholesalers and manufacturers, by commodity area; and
25	(5) Other pertinent facts.
26	d. Generally applied percentages shall be determined by commodity area.
27	2. For every public work, architectural and engineering, and service contract the

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a. Contracts for public work, service and architectural/engineering services, the estimated cost of which exceeds ten thousand dollars, shall require responding parties to

following set aside requirements shall be met:

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28 29 include in their responses to solicitation both minority and women's business participation in the contract in a percentage which equals or exceeds the percentages determined for the contract by the administrator. The administrator shall determine the percentages for each contract based on the extent of subcontracting opportunities presented by the contract and the availability of minority and women's business enterprises qualified to perform such subcontracting work. Such percentages may be higher or lower than the annual goals for the type of contract involved.

- b. Where a contract is awarded to a minority or women's business which will perform at least twenty-five percent of the work, the set aside requirements of these subsections shall not apply.
- c. To the extent practicable and except in extenuating or special circumstances, as determined by the administrator, responding parties shall identify the specific minority/women's businesses to be used in performing the contract, the dollar and/or percentage value of the participation, the work to be performed by each minority/women's business, and other information reasonably related to determining the responding parties' compliance with the county's minority/women's business requirements. In determining what information shall be submitted and when it shall be submitted, the administrator shall take into account the county's policies of maximizing opportunities for minority/women's businesses, simplifying paperwork requirements for bidders and proposers, and prohibiting bidders and proposers from shopping bids, proposals and offers from minority/women's businesses.
- d. During the term of the contract, any failure to comply with the percentages of minority/women's business participation required for the bid or proposal shall be considered a material breach of contract. The dollar value of the total contract used for the calculation of the set-aside shall be increased or decreased to reflect executed change orders unless:
- (1) a waiver is obtained in accordance with Section 8.A of this ordinance after consultation among the contract awarding authority, the administrator and the contractor; or

- B. Departments may request a reduction in the amount of the set aside for either or both minority business enterprises or women's business enterprises or in the percentage factor to be applied under the percentage preference method, by submitting the reasons therefor in writing to the administrator.
 - 1. The administrator may grant such a reduction upon determination that:
- a. The reasonable and necessary requirements of the contract render subcontracting or other participation of businesses other than the bidder or proposer infeasible at the adopted goal levels; or
- b. Qualified minority and women's business enterprises capable of providing the goods or services required by the contract, are unavailable in the market area of the project, despite every feasible attempt to locate appropriate minority and women's business enterprises to meet adopted goals.
- c. The available minority and/or women's businesses have given price quotes which are unreasonably high in that they exceed competitive levels beyond amounts which can be attributed to cover costs inflated by the present effects of discrimination.
- 2. Any reductions in set aside amount granted by the administrator shall specify the amount to which the set aside has been reduced.
- C. Where Section 7 of this ordinance specifies that a set aside or a percentage factor shall be used for a particular type of contract, the method specified is the preferred method for achieving the utilization goals. A department may use the other method in its solicitation documents for a specific contract if it determines that a method other than the one established by Section 7 of this ordinance will be a more feasible method of achieving the annual utilization goal. In the event that a department chooses to use a method other than the one specified in Section 7 of this ordinance, it shall include in its annual report to the executive as required by Section 9.D of this ordinance, documents demonstrating that a method other than the one established by Section 7 of this ordinance is a more feasible method of achieving the annual utilization goal.

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D. All solicitation documents shall include the applicable requirements of Sections 6
and 7 of this ordinance. In addition, documents shall include a provision prohibiting any
agreement between a responding party and a minority/women's business in which the
minority/women's business promises not to provide subcontracting quotations to other
responding or potential responding parties. Bids, proposals, and other responses which fail to
meet the requirements of Section 7 of this ordinance shall, within the limitations of federal
and state law, be deemed non-responsive unless a waiver has been granted pursuant to
Section 8 of this ordinance

- E. The percentage factor and set aside requirements of Section 7 of this ordinance shall not apply to contracts awarded for the remainder of any calendar year in which the contract awarding authority is determined by the administrator to have met the applicable county utilization goals as established by this chapter. The percentage factor and set aside provisions of Section 7 of this ordinance shall again apply in each succeeding calendar year until the annual utilization goals for that year have been met by the contract awarding authority.
- F. For the Kingdome food and beverage concession contract, the set aside method of achieving utilization goals shall apply.
- G. The requirements of Section 7 of this ordinance shall cease to apply to contracts awarded by the county and its departments on December 31, 1997, unless reenacted by the council.

NEW SECTION. SECTION 8. There is added to K.C.C. 4.18 a new section to read as follows:

Waivers. Contract awarding authorities, along with or on behalf of responding parties and contractors, may apply for waiver of one or more requirements of this chapter as they apply to a particular contract or contracts.

- A. Waivers may be granted by the administrator in any of the following circumstances;
- 1. When the needed goods and services are readily available from only one source, in which case the contracting awarding authority shall, in addition to the requirements contained in K.C.C. 4.16, submit a written justification of the need for sole source treatment

to the administrator who shall grant or deny the request for waiver within three business days, provided the request is complete;

- 2. Emergencies, in which case emergency contracting shall be handled in accordance with the requirements of K.C.C. 4.16.
- 3. Contracts for which neither a minority nor a women's business is available to provide needed goods or services, in which case a waiver may be applied for in accordance with procedures to be developed by the administrator. Prior to granting a waiver, the administrator shall certify that a minority/women's business is in fact not available to provide the needed goods and/or services.
- 4. Contracts awarded to non-profit organizations, governments and governmental organizations including but not limited to municipal corporations, consortiums and associations of governmental agencies or officials and agencies created by interlocal agreement, per RCW 39.34, or by operation of state or federal law; where because of a responding party's non-profit status, ownership of the corporation or other entity cannot be determined. However, solely with the exception of contracts between the county and cities and towns where the county is the grantee for federal or state funds passed through to such jurisdictions, the waiver shall not extend to those profit-making contractors which contract with the referenced responding parties.
- 5. When available minority and/or women's businesses have given price quotes which are unreasonably high in that they exceed competitive levels beyond amounts which can be attributed to cover costs inflated by the present effects of discrimination.

As a condition of granting any waiver, the administrator may require that contractors or the contract awarding authority make affirmative efforts to utilize minority and/or women's businesses in the contract.

B. Where the executive determines that the reasonable and necessary requirements of a contract render subcontracting or other participation of businesses other than a responding party unfeasible, he/she may grant a waiver from the set aside provisions of this chapter; PROVIDED THAT, the waiver shall not be granted after the solicitation request has been publicly released by the contract awarding authority; PROVIDED FURTHER THAT, the solicitation specifications shall state that the waiver has been authorized and that solicitations

received, proposing subcontracting or other participation of business other than the responding party, shall be rejected as non-responsive; PROVIDED FURTHER THAT, following award of the contract, should subcontracting or participation of businesses other than the responding party become necessary, the previously authorized waiver shall be null and void. The contractor (original responding party) shall solicit both minority and women business participation in a percentage which equals the contract awarding authority's annual goal.

C. Where the executive determines that compliance with the requirements of this chapter would impose an unwarranted economic burden on, or risk to, the county as compared with the degree to which the purposes and policies of this chapter would be furthered by requiring compliance, he/she may reduce or waive the utilization requirements of this chapter; PROVIDED THAT upon taking such action, the executive shall notify the members of the council in writing and FURTHER PROVIDED, upon receipt of the notice, if the council determines that the waiver does not meet the standards of this section, the council may by motion, within ten working days of the receipt of the notice determine the waiver to be null and void.

NEW SECTION. SECTION 9. There is added to K.C.C. 4.18 a new section to read as follows:

Monitoring, reporting, and enforcement. A. The executive, through the administrator, shall have the responsibility for monitoring implementation of the requirements of this chapter and shall have the power to request from departments, responding parties and/or contractors any relevant records, information and documents.

- B. Contract awarding authorities shall keep complete and detailed records regarding compliance with this chapter. The records shall include the dollar value and the subject matter of each contract along with the name of the contractor, the participation levels (in dollars, number of contracts awarded, and type of work), of minority/women's businesses where the contract award provides for participation, and other information as the administrator deems necessary.
- C. The administrator shall be responsible for gathering all information concerning compliance with this chapter and shall have access to all pertinent county records.

D. With the assistance of the administrator, each department shall submit to the administrator an annual report on its performance in meeting the utilization goals required by this chapter on or before March 15th of each year. This report shall include the number and dollar amount of contracts awarded, by contract category and the dollar amount and the percentage of minority/women's business participation by contract and contract category and by number of set-aside contracts, percentage preference contracts, contracts requiring affirmative efforts, and contracts for which waivers were granted. The report shall also identify problems in meeting the requirements of this chapter, if any, and suggestions for improvements.

E. Monitoring of Effects. The administrator shall establish procedures to collect evidence and monitor the effects of the provisions of this chapter in order to assure, insofar as is practical, that the remedies set forth herein do not disproportionately favor one or more racial or ethnic groups and that the remedies do not remain in effect beyond the point that they are required to eliminate the effects of discrimination in the local contracting industries. To the extent further amendments to this chapter are required to effect these ends, the administrator shall prepare appropriate ordinances for the council's consideration.

F. Certification and Recognition Process.

1. Pursuant to Chap. 328, Laws of 1987, the Office of Minority and Women's Businesses of the State of Washington shall be solely responsible for certifying and decertifying businesses. The county's minority and women's business enterprise program is only for minorities and minority business and women's businesses and combination businesses as defined in Section 2 of this ordinance; therefore the administrator shall recognize only those combination minority and women's business enterprises or minority business enterprises certified by the State of Washington which also meet the definitions of Section 2 of this ordinance, according to minority status information provided to the county by the Office of Minority and Women's Businesses of the State of Washington. Businesses are only eligible for the county's programs so long as they remain certified by the State of Washington.

2. It shall be considered a violation of this chapter to obtain, or attempt to obtain, certification or the benefits of any provision of this chapter, on the basis of false or

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29 30 misleading information, whether provided to the county or to the Office of Minority and Women's Businesses of the State of Washington.

- 3. No contract requiring or proposing minority/women's business participation may be entered into unless all minority/women's businesses identified to meet the utilization goals by a responding party were, at the time the bid was submitted, certified by the Office of Minority and Women's Businesses of the State of Washington and recognized by the administrator as eligible to participate in the county's minority/women's business program and the administrator determines all identified minority/women's businesses appear able to perform a commercially useful function on that contract as proposed. Lists of certified and recognized minority/women's businesses shall be provided to all departments and made available to the public.
- 4. No business shall apply to the county in order to participate in the programs established by this chapter.
- G. Where a complaint is filed within one year of the completion of all work on a contract alleging a violation of this chapter by a contractor, subcontractor or contractawarding authority, or where, within that time period, evidence of a violation is discovered from information gained through compliance monitoring, the administrator shall cause to be served or mailed, by certified mail, return receipt requested, a copy of the complaint or notice of investigation on the respondent within twenty days after the filing of said charge and shall promptly make an investigation thereof. The investigation shall be directed to ascertain the facts concerning the violation alleged in the complaint and shall be conducted in an objective and impartial manner. During the investigation, the administrator shall consider any statement of position or evidence with respect to the allegations of the complaint which the complainant or the respondent wishes to submit.
- 1. The administrator shall have authority to sign and issue subpoenas requiring the attendance and testimony of witnesses, the production of evidence including but not limited to books, records, correspondence or documents in the possession or under the control of the person subpoenaed, and access to evidence for the purpose of examination and copying as is necessary for the investigation. The administrator shall consult with the county prosecuting attorney before issuing any subpoena under this section.

If an individual fails to obey a subpoena, or obeys a subpoena but refuses to testify when requested concerning any matter under investigation, the administrator may invoke the aid of the county prosecuting attorney who shall petition to the Superior Court for King County for an order or other appropriate action necessary to secure enforcement of the subpoena. The petition shall be accompanied by a copy of the subpoena and proof of service, and shall set forth in what specific manner the subpoena has not been complied with, and shall ask for an order of the court to compel the witness to appear and testify or cooperate in the investigation of the violation.

2. The results of the investigation shall be reduced to written findings of fact and a finding shall be made that there either is or is not reasonable cause for believing that a violation has been or is being committed. If a finding is made that there is no reasonable, cause, said finding shall be served on the complainant and respondent. Within thirty days after service of such negative finding, the complainant shall have the right to file a written request with the administrator asking for reconsideration of the finding. The administrator shall respond in writing within a reasonable time by granting or denying the request.

H. If the finding is made initially or on request for reconsideration that reasonable cause exists to believe that a violation by a contractor or subcontractor has occurred, the administrator shall endeavor to remedy the violation by conference, conciliation and persuasion, which may include monetary compensation, the creation of additional opportunities for minority or women's utilization on other contracts, or such other requirements as may lawfully be agreed upon by the parties and the administrator. Any settlement agreement shall be reduced to writing and signed by both parties. An order shall then be entered by the administrator setting forth the terms of the agreement. Copies of such order shall be delivered to all affected parties and the original thereof filed with the division of records and elections.

If no agreement can be reached, a finding to that effect shall be made by the administrator and incorporated in a preliminary order, with a copy thereof furnished to the complainant and the respondent. The preliminary order shall also include:

- 1. A finding that a violation has occurred;
- 2. The basis for such finding.

I. In the case of failure to reach an agreement for the elimination of such a violation, and upon the entry of a preliminary order, the complaint and any and all findings made and remedies ordered shall be certified by the administrator to the office of the county hearing examiner for hearing.

A hearing shall be conducted by the office of the hearing examiner for the purpose of affirming, denying, or modifying the preliminary order. The hearing shall be conducted on the record and the hearing examiner shall have such rule making and other powers necessary for conduct of the hearing as are specified by K.C.C. 20.24. Such hearings shall be conducted within a reasonable time after receipt of the certification. Written notice of the time and place of the hearing shall be given at least ten days prior to the date of the hearing to each affected party and to the administrator.

Each party shall have the following rights, among others:

- To call and examine witnesses on any matter relevant to the issues of the complaint;
 - 2. To introduce documentary and physical evidence;
- To cross-examine opposing witnesses on any matter relevant to the issues of the complaint;
 - 4. To impeach any witness regardless of which party first called him to testify;
 - 5. To rebut evidence against him/her; and
- To represent himself/herself or to be represented by anyone of his/her choice who is lawfully permitted to do so.
- J. Following review of the evidence submitted, the hearing examiner presiding at the hearing shall enter written findings and conclusions and shall render a written decision and shall order one or more of the following:
 - 1. Dismissal of the complaint when a violation is found not to have occurred;
 - 2. Suspension or cancellation of the contract in part or in whole;
- 3. Disqualification and/or debarment of the violator from participation in county contracts for a period of up to five years;
- 4. Exclusion of the violator from future contracts or vending until demonstration of compliance;

5. Enforcement of any provision of the contract providing remedies, such as penalties or liquidated damages for violation of contractual provisions, or enforcement of any other remedy available under the laws of the county. Upon a finding by the hearing examiner that a contractor has in fact failed to perform a commercially useful function or has operated as a broker, front, conduit or pass through business, liquidated damages specified in the contract shall be imposed unless the hearing examiner finds that imposition of such damages would be clearly inequitable, in which case the hearing examiner may order appropriate relief.

K. If a finding is made that there is reasonable cause to believe that a contract awarding authority has committed a violation, the finding shall be forwarded to the executive, who shall review the evidence and shall order one or more of the following:

- 1. Dismissal of the complaint when a violation is found not to have occurred;
- 2. Corrective personnel action;
- 3. Disqualification and suspension of authority of all members, any board, commission, or other body constituting the violating contract awarding authority;
 - 4. Enforcement of any other remedy available under the laws of the county.
- L. Upon receipt of a written and signed allegation that a business owner is improperly being considered to be, or has improperly been rejected as, a minority business or women's business as defined in this chapter, or that a waiver or reduction of set-aside requirements has been improperly denied or granted, or if such information is discovered from information gained through compliance monitoring, the administrator shall conduct or cause to be conducted an investigation. The pendency of such allegations or of subsequent hearings on such allegations shall not be grounds to postpone or restrain the award of any contracts then being advertised or for which bids have been received. If there is reasonable cause to believe that corrective action is warranted, the administrator will, upon ten days written notice to all interested parties of whom he/she is aware, and upon publication of notice of the hearing in the manner provided for the advertising of contracts, conduct or cause to be conducted a hearing to determine whether or not the allegation is correct. The hearing shall be recorded and each interested party shall have the right to call and examine witnesses, to produce documentary and physical evidence, to cross-examine witnesses, and to be represented by

anyone of his/her choice lawfully permitted to do so. The hearing officer designated by the administrator shall permit testimony to be given by any parties which would be directly affected by the matter, and a representative of the executive department or administrative office affected by the investigation.

After the hearing, the administrator or designated hearing officer shall make findings and conclusions and shall order appropriate corrective action, if any.

M. In addition to any other remedy available under the laws of the county and the State of Washington any person, firm, corporation, business, union, or organization which prevents or interferes with or retaliates against a contractor and/or subcontractor's efforts to comply with the requirements of this chapter or which submits false or misleading information to any county department or employee concerning compliance with this chapter shall be subject to a civil penalty of up to five thousand dollars for each occurrence, the county having previously complied with the notice and hearing provisions of this chapter. Each submission of false or misleading information shall constitute a separate occurrence.

NEW SECTION. SECTION 10. There is added to K.C.C. 4.18 a new section to read as follows:

Annual report required. The administrator shall submit an annual report to the executive detailing performance of the program by April 15 of each year. This report shall be forwarded to the council no later than April 30. The report shall include:

- A. Statistics, and narrative where appropriate, demonstrating the utilization of minority and women's businesses by department, contract category, and the county, overall;
- B. Statistics, and narrative where appropriate, demonstrating the number and type of waivers granted;
- C. Explanations of any investigative actions taken by the minority and women's business enterprises and contract compliance division regarding the implementation, monitoring and enforcement of this chapter;
- D. Descriptions of any problems in the implementation reported by the department, including proposed solutions;
 - E. Recommendations, as appropriate, regarding amendments to this chapter; and

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F. Proposed utilization goals, as necessary.

NEW SECTION. SECTION 11. There is added to K.C.C. 4.18 a new section to read as follows:

Studies and recommendations graduating firms out of program. A. The administrator is directed to prepare a recommendation to the council on a methodology and plan for graduating minority and women's businesses after a certain number of years of certification and level of income above that used for state certification. The executive shall submit such a recommendation as part of the overall recommendations resulting from the disparity study commissioned pursuant to Ordinance 11564.

B. The methodology and plan shall include specific objective criteria and timeframes for reviewing minority and women's business enterprise participation in the county's remedial program and determining when and under what conditions individual firms shall be graduated from the county's remedial program.

NEW SECTION. SECTION 12. There is added to K.C.C. 4.18 a new section to read as follows:

Authorization to implement procedures. The executive shall implement such forms, administrative processes, and operational procedures as are necessary to comply with the provisions of this chapter; provided that such forms, processes and procedures shall be promulgated in compliance with K.C.C. 2.98, with the exception that administrative rules and regulations related to this chapter shall be submitted for review by the administration and justice committee (or its successor committee) fifteen days prior to filing with the clerk of the council, the provisions of K.C.C. 2.98 notwithstanding.

NEW SECTION. SECTION 13. There is added to K.C.C. 4.18 a new section to read as follows:

Minority and women's business enterprises program provisions applicable to metropolitan functions. Notwithstanding the requirements set forth in this chapter, in order to foster a smooth transition and for the purposes of observing federal regulations, the minority and women business enterprise provisions for MWB utilization set forth in Ordinance 11032, Sections 19.G, 19.H, 19.J.2, and 19.K, and codified in K.C.C. 28.20.040 D, K.C.C. 28.20.040 E, K.C.C. 28.20.050 B, and K.C.C. 28.20.060 shall

continue to be applicable to the metropolitan functions performed by the county pursuant to chapter 35.58 RCW until the conclusion of the disparity study, commissioned pursuant to Ordinance 11564, and recommendations resulting from the study are adopted and approved by the council by ordinance or as otherwise provided by the council. The administrator shall administer and implement said provisions for contracts awarded in direct support of said metropolitan functions.

NEW SECTION. SECTION 14. There is added to K.C.C. 4.18 a new section to read as follows:

Designation of DBE Liaison Officer. The administrator shall serve as the Disadvantaged Business Enterprise ("DBE") Liaison Officer for purposes of compliance with federal Department of Transportation and other federal and state agency financial. assistance requirements.

NEW SECTION. SECTION 15. There is added to K.C.C. 4.18 a new section to read as follows:

Federal and state requirements. In order to secure financial assistance from federal and state agencies, the administrator shall provide for the participation of minority, women and disadvantaged businesses pursuant to regulations and requirements imposed by such federal and state agencies. The administrator may issue rules and procedures and take steps necessary to implement and comply with applicable federal and state laws and regulations, including the establishment of annual goals and contract goals for minority, women and disadvantaged businesses.

SECTION 16. Effective date. This ordinance shall take effect on January 1, 1996. SECTION 17. Severability. The provisions of this ordinance shall be effective in all cases unless otherwise provided by federal law. The provisions of this ordinance are separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or other portion of this ordinance or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this ordinance or the validity of the application to other persons or circumstances.

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