

Port of Port Arthur

May 1, 2017

Construction Contractor Outreach

Summary: Port of Port Arthur is a small-medium sized port in the Southeast Texas town of Port Arthur, population 53,000. As a modern, bulk and breakbulk facility the port serves the forest products, steel and energy industry. The port also handles military and project cargo. The community and region is overshadowed by the presence of a large petrochemical industry complex. From early 1900's until the late 1970's the town remained a robust employer. Over time through industrial process automation, suburbanization and residential flight to the periphery left a community-city with aging infrastructure, declining homeowner values and by some estimation blighted conditions. The greater challenge is to help make incremental improvements in the community. As with most ports, in addition to providing a nexus for marine and surface transportation the underlying mission exists to create sustainable jobs and foster economic development. The goal of this submittal is to demonstrate one of the port's ongoing outreach efforts. It culminates in a successful effort to host a contractor to contractor (C2C) networking opportunity, educate local, women, minority owned businesses about port opportunities and increase local business participation. Port Arthur is a majority minority community and comparing the two charts in exhibit 1 indicate a shifting demographic. *See Exhibit 1.* A secondary goal of the outreach is to demonstrate to various stakeholders the port's bond election pledge to promote local employment.



1. What are/were the entry's specific communications challenges or opportunities?

The Port of Port Arthur has a significant dock expansion opportunity to be awarded 2Q17, estimated \$30 million dollars. The port is committed to fostering local, minority, women owned businesses supported by a vendor outreach effort leading up to the pending bid submittal. As most port professionals know, the project lends itself to a relatively small community of marine construction contractors. The challenge is to provide network opportunities for the marine general contractors to meet area subcontractors namely, local, minority, woman owned businesses. All too often once a contractor has won a bid and the information is disseminated publically, the winning contract has already arranged sub-contractors. The *Contractor to Contractor -Meet and Greet, C2C* improves on the process by creating a space where large marine contractors can network with potential sub-contractors prior to bidding. *See Exhibit 2.*

Through a coordinated effort the port and its consultant sought out methods to efficiently reach out to various contractors as well as inform stakeholders that the port was following through on the commitment made during the bond election effort. Area stakeholders are active and vocal group as evidenced by recent industrial expansions where the some stakeholders perceived that local businesses were disproportionately underutilized.

– Describe in specific and measurable terms the situation leading up to creation of this entry.

In May 2016, local voters approved an \$89.95 million dollar bond issue. The vote supports the first major expansion at the port in 16 years. Adding a tax burden to a community that by all measures of economic distress exceed national, state and local levels including unemployment and low per capita income creates a challenge. *See Exhibit 3.* A commitment to the voter, was a limited increase in taxes to cover debt service and a platform to create local job opportunities. While jobs could be explained in terms of future maritime jobs after project completion, port leadership wanted to demonstrate the commitment in the construction phase. An outreach effort was created with the goal of identifying local, minority, women owned businesses, and educating business owners about how to do business with the port and participate in upcoming bid opportunities.

In meaningful measurement terms, history tells us 10-12 large and capable bidders will show interest in bidding the expansion. A smaller group, estimated 5-6 will complete the process. The challenge to get the estimated 20 plus local and capable contractors engaged with the prime contractors before the bid process is complete. Without the outreach effort the capable contractors are not know. At minimum some 100 contacts will need to be made as the bid process is sealed and no contractor will be recognized until a responsive bidder is awarded. So an interested sub-contractor will need to initiate contact with all the various lead contractors competing for the opportunity. To accomplish these numbers involves casting a wider net to area businesses, as not all parties will be interested, capable, or available.

– *Briefly analyze the major internal and external factors that need to be addressed.*

Externalities include:

Current unemployment in Port Arthur is 12.4%. Port Arthur median household value is 38% of US and 48% of Texas. Taxes for debt service as in the voter supported bond issue are based on the real property values of homeowners and for profit businesses. The same homeowners and businesses that are port stakeholders. Various stakeholders are vocal about retaining local business/employment opportunities. To address the externalities, the effort begins with addressing internal factors.

Internal factors include: Identifying and educating local employers on how to do business with the port. Introducing local businesses to larger contractors. Maintaining commitment to voters and stakeholders to enhance outreach to local, woman, minority owned businesses.

2. *How does the communication used in this entry complement the organization's overall mission?* Mission in sum includes a core theme of operating a publicly responsible multimodal port, creating jobs and local economic development. The outreach effort directly addresses local job creation and economic development. The effort is organized around identifying and educating local, woman, minority owned businesses about opportunities at the port.

– *Explain the organization's overall mission and how it influenced creation of this entry.*

With a mission to operate a successful and responsible port it dovetails well into looking to locally available talent. Port leadership tasked port staff and a consultant with the need to increase awareness of business opportunities as well as provide certain education to small businesses not familiar with working with a public entity. Several bid opportunities exist at the port and a concentrated effort was organized to reach out to stakeholders. *See Exhibit 5.*

3. *What were the communications planning and programming components used for this entry?*

The role of port staff was based on leadership's policy guidance and board action to select a consultant to support staff's efforts. Planning consisted of several face to face and teleconference meetings. The first effort was centered on identifying local, woman, minority owned businesses. Data and information existed but required some updating. An initial outreach to various entities, establishing a web hosted vendor registry significantly improved the database or email list. Over time several specific message items were developed for distribution., *Exhibits 2, 4-6* principally.

– *Describe the entry's goals or desired results.* Increase awareness, educate and encourage local, woman, minority owned businesses to participate in port bid offerings and encourage day to day vendor opportunities. A desired result would be that local contractors, leaders, activists and voters acknowledge the ports efforts to foster local business.

– *Describe the entry’s objectives and list specific, measurable milestones needed to reach its goals.*

Entry Objectives – Encourage event attendance and participation by targeted group. Translate attendance and participation into local contractor connection with large prime contractors.

Measurable milestones & direct measurement include

1. Number of local contractors identified, subset of local, minority, women owned businesses. Approximately 20 businesses identified out of 100 businesses.
2. Direct contact local, women, minority owned businesses on “how to do business with the port” Approximately 12 individual sessions. Over 100 tri-folds handed out. **See Exhibit 5.**
3. Frequency of contacts or touches, before and after outreach. 4 emails blasts to a list of 50 identified contractors. Subset included local, minority, women owned businesses. From a developing database of 200 local companies, approximately 10%-15% are defined as a local minority owned business. Direct calls conducted by port staff and consultant.
4. Number of local vendors registered with the port during effort. Prior to effort there were 13. After first reach out the number climbed to 57. Most recent effort yielded an addition 17 registered vendors. Total of 87 registered vendors today.
5. Event turnout: First mandatory pre-bid meeting for small project –
 - a. 60 plus attendees **See Exhibit 4**
 - b. C2C event 100 plus attending.
6. Overall increase in web traffic as the information for the pending bid opportunity is web based. 17.6% increase in web traffic.

– *Identify the entry’s primary and secondary audiences in order of importance.*

Primary audience: local, minority, women owned businesses; local general contractors and large prime marine contractors.

Secondary audience is categorized as local stakeholders: Communication effort to reinforce to voter constituency the port commitment. Publically active community, business, religious and government leaders.

4. What actions were taken and what communication outputs were employed in this entry?

Approval of a consultant contract followed several meetings where port leadership identified the outreach opportunity. Series of planning meetings, monthly reports, focus meetings, review of branded design and execution of outreach efforts. The outreach efforts were carefully timed to maximize participation and retention.

– *Explain what strategies were developed to achieve success and why these strategies were chosen.*

While an ultimate long term goal of the port would be to foster employment opportunities at the port. The C2C event and related media information was designed to limit, not necessarily exclude individuals seeking direct employment opportunities. The project was not a job fair. Bearing that in mind the strategy and message was focused on creating an opportunity for contractors. Hence the limitation on the direct use of social media. Indirectly, the Port Arthur Chamber of Commerce did push out info via Facebook to select Chamber members. The strategy involved multiple email messages and personal followup via phone to targeted businesses. Additional information distributed by 3 newspapers advertisements placed on the Sunday before the event, day before and day of the event. Chamber of Commerce, AGC and GT Business Roundtable pushed out info via email.

– *Specify the tactics used (i.e., actions used to carry out your strategies).*

Significant amount of personal contact by port staff, leadership and consultant.

– *Detail the entry's implementation plan by including timeline, staffing and outsourcing used.*

Timeline:

2Q16 voters approve \$89.95 million dollar bond measure

4Q16 plans and specifications finalized

4Q16 port leadership discusses local, minority, women owned business outreach as related to upcoming bid projects

4Q16 port leadership selects and approves SSP Consulting as Construction Contractor Assistance Program, CCAP. Port staff meets with Calvin Stephens, principle for SSP. Exchange of relevant information and discuss series of steps to foster increased vendor participation.

4Q16 outreach to local contractors for smaller bid opportunity. Turnout for pre-bid meeting exceptional

1Q17 bid opening in January. Individual contact and training with select business owners C2C event 04.20.17

Staffing: Port hired consultant SSP, 2 port staff, 7 port support staff for C2C event.

Outsourced some printing, banner, food service and venue.

Specific Tactics – Included direct calls, emails, appeals to membership/clients of the following:

1. Port Outreach

- a. Port Arthur News Advertising – ad ran 3 times. Sunday before, day before and day of event.
- b. Southeast Texas Associated General Contractors
- c. Port Arthur Chamber of Commerce
- d. Contractor Committee at Port Arthur Chamber of Commerce
- e. Golden Triangle Business Roundtable

2. SSP Consultant contacted database

- a. Including Jefferson County Historically Underutilized Business, HUB firms.

- b. Local, Minority and Women Business firms
 - c. AGC of Southeast Texas
 - d. NAACP Executive Committee
 - e. Golden Triangle Minority Business Development Center
 - f. Lamar Economic Development Center
 - g. Various other local business and community leaders.
3. Port posted plans and specifications to website.
 4. Port staff made direct contact with prospective prime contractors
 - a. Email to initial database to advise about relatively about bid opportunity
 - b. Registration effort for mandatory pre-bid
 2. SSP Consultant developed 3 market pieces for outreach ***Exhibits 2, 4-6***
 - a. Used as handouts & emailed

5. What were the communications outcomes from this entry and what evaluation methods were used to assess them?

Participation at the first event was the mandatory pre-bid held on January 4, 2017. 60+ attendees. Typical participation is around 15-20. 6 responsive bidders submitted with 1 award to low bid. Traditionally 3-5 bids are submitted, two occasions in recent years where 1 responsive bid was submitted. Also, with increased outreach and communication there no rejected or late bids. Participation at the second event C2C, was beyond port staff, leadership, consultant and select constituency expectation. Over 100 individuals attended representing 60 entities.

– Describe any formal/ informal surveys used, or anecdotal audience feedback received, that helped in evaluating the success of this entry.

Informally we heard from the Director for the Chamber of Commerce, Public Affairs person for a large industry refiner that the event was well organized and effective. Several vendors both large and small thought the network event was successful and picked up leads for other business opportunities.

The facility manager who booked event thought the event was well done and other entities could learn from the port.

– If possible, explain how this entry influenced target audience opinions, behaviors, attitudes or actions.

First, the port leadership and staff “walked the walk”, demonstrating it established a sustainable outreach program. Arranging large prime contractors, medium sized contractors including local, small, women, minority owned businesses in a common venue was no small task. If indications by the increase (17.6%) in website traffic where plans and specifications are located, telephone calls with questions about the bid package and location of the mandatory pre-bid are an indication then the effort is affecting the target market.