

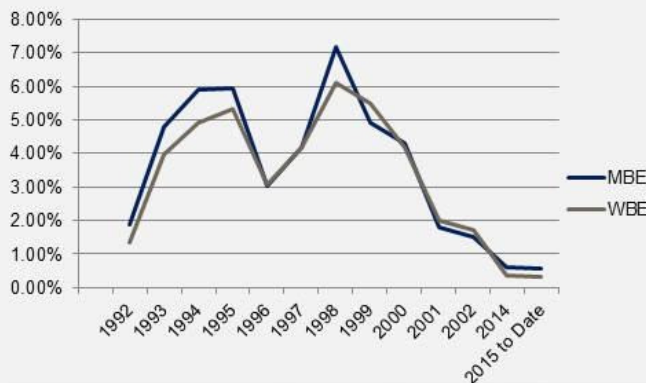


4.1.a Increase state agency and educational institution utilization of state-certified small businesses in public works and other contracting and procurement by 2017 to: Minority-owned businesses: 10% Women-owned businesses: 6% Veteran-owned businesses: 5%

G2: 4.1.a Increased State Certification Utilization

## Background: Community Advocacy leads to more intense focus on state supplier diversity

Utilization of Certified Firms Over Time



Utilization of Certified Businesses Doing Business with the State

Fiscal Year	Participation Base	MBE \$	MBE %	WBE \$	WBE %
1992	\$882,330,280	\$16,719,587	1.89%	\$11,844,627	1.34%
1993	\$1,787,974,916	\$85,731,905	4.79%	\$70,871,977	3.96%
1994	\$1,763,105,570	\$104,342,576	5.92%	\$87,166,309	4.94%
1995	\$1,815,595,412	\$108,294,023	5.96%	\$97,220,325	5.35%
1996	\$2,328,920,623	\$70,660,515	3.03%	\$72,154,523	3.09%
1997	\$2,023,410,897	\$84,974,912	4.20%	\$84,771,957	4.19%
1998	\$1,710,234,427	\$122,849,918	7.18%	\$104,835,050	6.13%
1999	\$1,188,596,139	\$58,227,322	4.9%	\$65,310,972	5.5%
2000	\$1,177,393,600	\$50,233,976	4.3%	\$49,49,521,610	4.2%
2001	\$2,105,465,856	\$37,126,354	1.8%	\$42,319,640	2.0%
2002	\$1,949,464,683	\$9,572,820	1.5%	\$33,118,896	1.7%
2014	\$3,500,397,981	\$21,274,178*	0.6%	\$12,929,610	0.37%
2015 to Date	\$6,163,864,450	\$33,851,101	0.55%	\$20,771,680	0.34%

### Structure

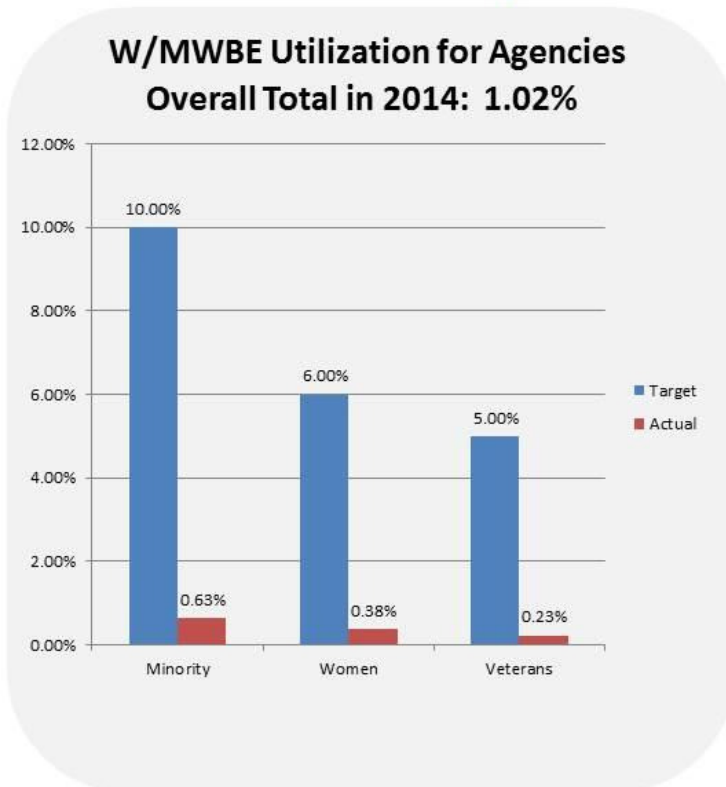
- Prior to 1983-W/MBE utilization at less than 1%
- State FY 2014-W/MBE utilization at 1%
- Creation of OMWBE (1983)-responsibilities
  - Certification
  - Monitoring/compliance
  - Outreach/education
  - Supplier diversity policy development and plan



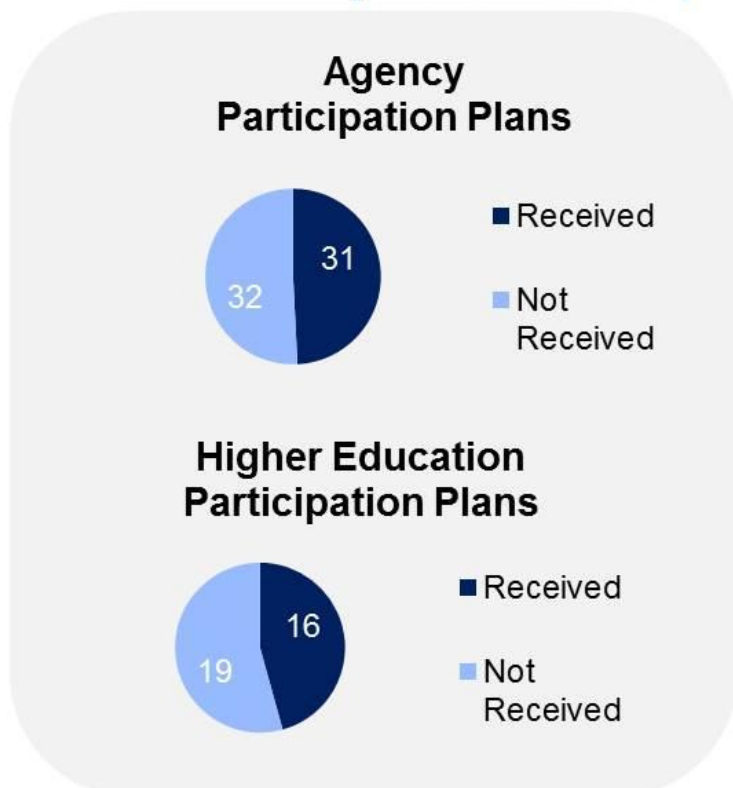
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Add a new "Picture" for each slide.

# Current State: 39.19 RCW Compliance with public works and procurement goals.



## Problem/Opportunity: Culture Change in procurement practice



### State Goals

- Minority 10%
- Woman 6%
- Veterans 5%

### Ask

- 20% increase over current rate of 1%

### Barriers

- Agencies/colleges not complying plan submittal
- No common language
- Goals are aspirational
- Master contracts
- Large contracts
- Bonding Issues



## Strategy: Responding to the Customers needs



### UNDERSTANDING CAPITAL IN SMALL BUSINESSES

Brought to you by the Washington State Office of Minority & Women's Business Enterprises with support from the Department of Financial Institutions and Community Bankers of Washington.

<http://omwbe.wa.gov/video-tutorials/>

### Overhaul the data collection

- Purchase Card
- Subcontractor
- Interagency Agreements

### Help Certified Firms

- Video Tutorials
- Access to capital-DFI
- Webinars

### Partners

- Prime Contractor
- Private Sector



Action Plan



## Action Plan

Task	Task Lead	Partners	Expected Outcome	Status	Due Date
Reach out to top performing agencies to learn best practices	OMWBE	Agency; colleges	Learn best practices to share/increase utilization	Completed; identified LNI as best practice	December 2014
Identify areas in the state where W/MBES are lacking; offer certification classes and increase certification by 30%	OMWBE	All agencies, colleges, local, and private sector	Increase certified firms in needed NAICS codes for utilization	Completed; increased new State certification by 10%	December 2014
Visit with each agency and college to review participation and template	OMWBE	All agencies, colleges, local, and private sector	100% participation plan submittal	Completed; visited 34 agencies and 31 out of 35 colleges	May 2014
Offer certification classes to targeted procurement areas	OMWBE	All Agencies and Colleges	Increase in certified firms in particular areas of procurement	On Track	Ongoing



## Action Plan

Task	Task Lead	Partners	Expected Outcome	Status	Due Date
Develop data system for Purchase Card utilization.	OMWBE	OFM	Develop IT program in both DES and OMWBE's data system to pull p-card diversity spend	On Track	December 15
Develop training on doing business with the state	OMWBE	All agencies, colleges, local, and private sector	Assist firms in successfully competing for government contracts	On Track	January 16
Meet with all colleges and agencies to create a partnership to get eligible firms certified	OMWBE	All Agencies and Colleges	Increase certified firms	On Track	January 16
In collaboration with DES, develop supplier diversity and inclusion plans	DES	OMWBE	Increase small and diverse business participation in goods and services and public works contracts.	TBA	TBA





# Diversity in Washington State Contracts, Procurement, Public Works and Transportation



Chris Liu

July 29, 2015

## What we are hearing from our customers and communities

- Barriers to doing business
- Difficult and inconsistent processes
- Current performance numbers

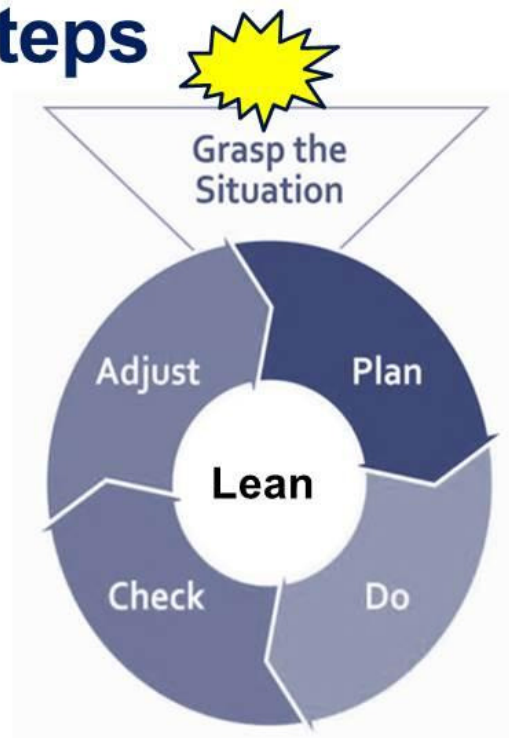
## Current state

- Data not standardized
- Many independent efforts but no central focus
- No common language
- No statewide community of practice



## Strategy and next steps

- Work with **community members** to develop a common understanding of the issue.
- Form a **subcabinet**.
- Mobilize a **team to support** the subcabinet (address the “how”).





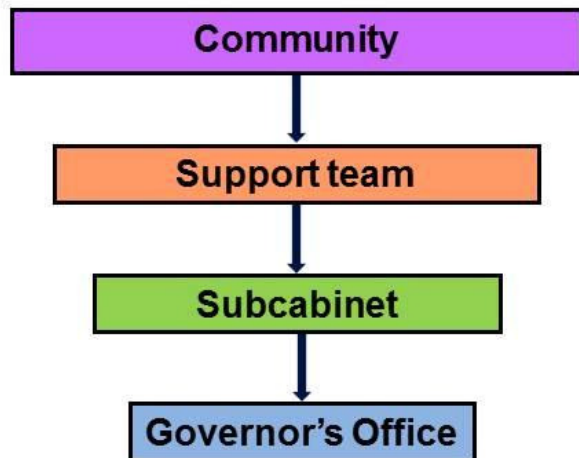
# Subcabinet Agency Members

<ul style="list-style-type: none"> <li>• Dept. of Transportation, Lynn Peterson</li> <li>• Dept. of Social and Health Services, Kevin Quigley</li> <li>• Health Care Authority, Dorothy Teeter</li> <li>• Dept. of Enterprise Services, Chris Liu</li> <li>• Dept. of Corrections, Bernie Warner</li> </ul>	→	Represent more than 2/3 of state spending
<ul style="list-style-type: none"> <li>• Dept. of Labor &amp; Industries, Joel Sacks</li> </ul>	→	Community of practice
<ul style="list-style-type: none"> <li>• Dept. of Veteran Affairs, Alfie Alvarado-Ramos</li> <li>• Office of Minority &amp; Women's Enterprises, Alexis Oliver</li> <li>• Commission on African American Affairs, Ed Prince</li> <li>• Commission on Asian Pacific American Affairs, Michael Itti</li> <li>• Commission on Hispanic Affairs, Uriel Iniguez</li> </ul>	→	Community transparency, reporting and communication
<ul style="list-style-type: none"> <li>• Attorney General's Office, Laura Watson</li> </ul>	→	Single source legal counsel
<ul style="list-style-type: none"> <li>• Governor's Office, Executive Team</li> </ul>	→	Provide direction



# Organizational structure

- Regular meetings with community members
- Support team for subcabinet formed July 20; meets daily
- Subcabinet formed July 15; meets regularly



# Anticipated Areas of Focus

1. Contracting and procurement practices
2. Public works / transportation practices
3. Training / education practices
4. Policy / legislative initiatives
5. Data collection / report systems
6. Diversity architecture (community of practice)
7. Communication and outreach

This will not be a linear process – work in focus areas will be concurrent



## Action Plan

Task	Task Lead	Partners	Expected Outcome	Status	Due Date
Define immediate, mid- & long-term needs	Support team	Community members	Define and agree on issues and timeframes.	In progress	August 2015
Based on needs, determine the scope of work	Support team and subcabinet	Community members and stakeholders	Common, across the board understanding of issues and how to address them.	In progress	August 2015
Identify barriers / conduct gap & root cause analysis	Support team	Community members	Standardize data, identification of the root cause.	In progress	Sept. 2015 *
Identify funding strategies	DES	Subcabinet, Governor's Office, OFM	Ensure sustainability for business diversity efforts.	In progress	Sept. 2015 *

\* Estimated





# Action Plan

Task	Task Lead	Partners	Expected Outcome	Status	Due Date
<b>Create community of practice</b>	Support team	Subcabinet, community members, state agencies	Standardize practices statewide and create diversity architecture.	TBD	Long term
<b>Expand and develop business diversity inclusion plans</b>	Support team	Subcabinet, community members	Increase small and diverse business participation in goods and services and public works contracts.	In progress	On-going
<b>Legislative Initiatives</b>	Support team	Subcabinet, community members, Legislature	State policy that encourages small and diverse business participation in state contracting	In progress	Fall 2015

Send inquiries to:

[BusinessDiversity@des.wa.gov](mailto:BusinessDiversity@des.wa.gov)



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